nished us every two weeks by the Sugar Corporation. And when I totalled those figures, I found they exceeded our figures considerably. So I sent a man to Clewiston and he and the people in Clewiston carefully checked back to determine how that error or difference could have come about and they found that the cause of the discrepancy that probably inadvertently the Sugar Corporation had included in tonnage figures on the town site cane that had not moved by rail and reported it in the month of December 1948, along there. There was an excess of nearly 6,000 tons due to that fact.

So I am positive that Mr. Patterson was mistaken when he said that his figure of 912,696.70 tons did not include town site cane. That cane was more than transported by the railroad.

By Mr. Hillyer:

Q. What was your figure, Mr. Hicks?

A. My figure was 905,855 tons. You will find that on one [fol. 794] of my exhibits it is shown as 1,811,711,000 pounds. It is shown on one of my exhibits. There was a couple of statements made by Mr. Cecil Jones which left with me an impression I feel certain he didn't intend to create on the record. The rist was that,—in fact his words were that cars vary from 60 to 115 per train when arriving at Clewiston.

Now, I think undoubtedly it is true that some trains do have from 60 to 115 cars, but in checking back through the records that we made up from our waybills and wheel reports, and which I brought with me, I find that during the 1947-'48 season the number of trains arriving at Clewiston was less than 60 cars, was 611, while the number of trains arriving at Clewiston with 60 cars or more was 287. In the 1948-'49 season, 476 trains with less than 60 cars arrived at Clewiston and 358 trains with 50 cars or more. That doesn't mean that anything like the majority of those trains contained up around 60 cars; in the 47-48 season, 142 of those trains had only 15 cars. In the '48-'49 season 162 of those trains had only 15 cars. I think Mr. Jones just didn't quite finish his statement on that.

By Mr. Hillyer:

Q. Was that loaded trains? You are not referring to empties?

A. Empties don't come to Clewiston.

By Mr. Pettijohn:

Q. Do you have the number of loaded cars handled into [fol. 795] Clewiston for the number of years?

A. One shows number of cars and total weight for 1948-'49 season.

Q. It can be computed from that?

A. Yes, it shows the average weight of all cars and average weight of those loaded below the minimum and the number loaded to or above the minimum.

Mr. Pettijohn: Thank you.

A. Again Mr. Cecil Jones said that the sugar cane company delivers to the Florida East Coast Railway at Canal Point cars of cane in cuts of 60 to 70 cars and they leave for the mill. With me this leaves the impression that cars of 60 or 70 trains are delivered at Clewiston. Trains of 60 or 70 cars are delivered to Florida East Coast at Canal Point and they move through as a solid train and there is more or less a overhead movement to the mill. I don't think this impression was intended to be created because I find that during the 1948-'49 season there were four hundred thirty-four trains that started out on the Florida East Coast Railway and of this 434, only 148 trains that were received by the Atlantic Coast Line Railroad from the Florida East Coast at Canal—excuse me,—at Lake Harbor were not then stopped one to three times in the eight mile distance from there to Clewiston to pick up additional cars at the various sidings.

Mr. Gwathmey: Just a moment. Would you mind read-[fol. 796] ing that last statement back?

(The last answer was read by the reporter.)

By Mr. Gwathmey:

Q. Is that what you meant to say?

A. Yes, sir. The remaining 286 trains, there were stops

at least once and as many as three times between Lake Harbor and Clewiston to pick up additional cars.

Of course, this does not mean that in addition to these stops on the Atlantic Coast Line there were not still more stops on the Florida East Coast between Canal Point, the starting point of the train, and Lake Harbor to pick up cars on that line. I have tabulations from a number of the wheel reports on these trains and taking the trains that started out at Canal Point during the week of January 4th to January 11, 1948——

Q. '48 or '49?

A. '48. The number of cars on these trains when they started out at Canal Point ranged from 14 to 38 and averaged 28.23 cars per train.

I think it might be well for me to give a few typical examples of the make-up of these trains in that week, which is representative. I have all of the train reports from the wheel reports from the beginning of that season, November 11 through January 11—not through January 11, through January 10. It is the fourth through the tenth, but I have taken this last week because that was after the season had [fol. 797] gotten in full swing and the trains were more apt to have full tonnage. Here is a train on January 7th that had 76 cars when it arrived at Clewiston, but when it left Canal Point it had 22 cars. It stopped and picked up seven more at Runyon. It stopped and picked up 9 more at Dahlberg, picked up ten more at South Shore and it picked up 11 more at Miami Locks No. 1. All of those are origins on the Florida East Coast. Then after it was delivered to the Atlantic Coast Line Railroad at Lake Harbor, it stopped at Watson, Florida, and picked up one car and then it picked up 16 more at Bar Beach, Florida.

I just want to show that this is by no means hitching an engine on a train of cars at Canal Point, 60 or 70 cars, and running to Clewiston without a stop. Other witnesses will explain how this switching and pick-up is performed.

I will give one more illustration: On January 10, 1948, a train which had 57 cars when it arrived at Clewiston started from Canal Point with 22 cars, seven were added at Runyon, three at Dahlberg, seven at South Shore and three at Miami Locks No. One, all Florida East Coast sta-

tions. Then after the train was delivered to the Atlantic Coast Line, it stopped and picked up two at Watson, two at Bar Beach and ten at Ritter.

I believe I overlooked saying in the 1947-'48 season of the 488 trains that started out at Canal Point, 439 stopped one or more times for additional cars after delivery to the [fol. 798] Atlantic Coast Line Railroad at Lake Harbor. Only forty-nine of the 488 trains that were received by the Atlantic Coast Line Railroad at Lake Harbor moved from there into Clewiston without an additional stop and that, of course, is not saying these 49 trains had not already stopped for additional pick-ups between Canal Point and Lake Harbor.

Mr. Gwathmey: I believe the exhibits were received yesterday afternoon?

Commr. Patterson: They were.

Mr. Gwathmey: The witness is available for cross examination.

Cross-examination.

By Mr. Hillyer:

Q. Mr. Hicks, in the tonnage figures which you gave, were those the figures for the actual weight of the shipments or was it the basis of the freight charges?

A. They were based on the actual weight of the shipments.

Q. Is it not a fact that a number of cars were loaded less than the required minimum?

A. Yes, sir; but if that difference between the actual weight and the minimum weight had been included, it would have been far more than the difference between Mr. Patterson's figure and mine. It would have been many thousands of pounds more.

Q. Didn't you understand the figure he gave was the figure on which the freight charges were based?

A. No, sir.

[fol. 799] Q. You don't think that would account for the difference, then?

A. I don't believe so, not in view of what I have just said.

Q. Do you know? Have you checked it to see?

A. We have checked to determine the deficit, actual loading, on the carload minimum weight for the '48-'49 season. That is shown in my exhibit No. 38, page 3.

Q. I don't think the actual figures are important, but isn't this a fact that if your figure of the penalty weights, not loaded, is greater than 6,800 pounds, then they paid freight charges on more than the tons shown by Mr. Patterson and more than shown by you?

A. Of course, if they paid freight charges on basis of the carload minimum weight and the actual weight was less, they would have paid freight charges on more than the actual weight as shown by me.

Q. Now, isn't it a fact they calculated them on a basis of the former minimum of 36 and 38 thousand pounds whereas, you may be using a 40 thousand and 44 thousand pounds?

A. Freight bills on that basis had been prepared.

Q. In other words, as far as the actual tons go, as shown by your difference here, by 6,800 tons, that is less than one percent of the total, isn't it?

A. I haven't calculated it.

Q. You have Mr. Patterson's figure of 912,000?

A. If you calculate it is less than one percent, I haven't. If you have, that is all right.

[fol. 800] Q. Now, what is your impression—or, rather, was it your impression there was anything in Mr. Cecil Jones' testimony to indicate there were no stops en route? Was that the way you understood his testimony?

A. I said I didn't think he meant to convey that impression, but that was more or less left with me and I just wanted to make the record clear that he must not have intended that because that wasn't the case.

Q. I didn't get that impression, but if it was, I am glad. I think he mentioned pick-up en route and a number of stations in each line.

Comm. Patterson: I think he said at Lake Harbor they merely hooked on the train and took it to Clewiston and did pick up cars en route. I think he said that.

A. I am sure he didn't intend to misrepresent it.

By Mr. Hillyer:

Q. In the cost study introduced here which you have seen, isn't it a fact that those costs are based on the total time of the crew?

A. I don't know anything about the cost schedule. You will have to talk to the accouting man.

Q. Doesn't it show on its face the number of hours charged to that crew?

A. That I don't know. I wasn't particularly familiar with that.

A. In other words, if they have included in the cost [fol. 801] accounting the total time of the crew, it wouldn't matter how many times they stopped to pick up, would it?

A. I don't know.

Q. Do you know whether or not the total time——

A. I mean I don't know what bearing it would have to the cost study. I know it makes a big difference on the operating disability.

Q. Do you know whether or not the total wages paid to the crews exceeded the time actually required for the movements including the stops?

A. I think anything that I'd say about that would be hearsay.

Mr. Hillyer: That is all I have except in commenting there is a good deal of testimony in Exhibit 159 which relates only to suspension case.

Comm. Patterson: That's right. They sort of lifted that out of that case and brought it here. There is a lot of extraneous stuff there.

By Exam. Mattingly:

Q. I'd like to find out a little more about this train that you talk about, if it came back without any cars, you said it would go up the line with empties and suppose he came back without any cars at all, would the sugar company have to pay charges on that?

A. I think so because I think the tariff provides these rates for these movements subject to minimum number of cars per train. If we had take a string of empties out for [fol. 802] the Cane Company when their instructions were to drop all of them and had come back there from this run

with the engine and a caboose car light, or one or two cars, it is my understanding of the tariff that the charge would be assessed for a minimum of fifteen cars for that train movement.

By Mr. Patterson:

Q. Let's take a situation such as this: If they brought one car back under the tariff they'd have to pay. But suppose you didn't bring any cars back, only brought the locomotive and caboose back for your convenience. Would they be charged for the train if you were moving the power at your convenience?

A. I believe they would, but I guess the tariff——

By Exam. Mattingly:

Q. It is a rather hypothetical question.

A. I never thought about it before.

By Mr. Hillyer:

Q. Mr. Cecil Jones say no they don't charge for them.

A. They don't have any to charge for.

By Comm. Patterson:

Q. It is purely a hypothetical question. It never happens, is that correct?

Mr. Hillyer: Mr. Cecil Jones, is that correct?

Mr. Cecil Jones: We don't have any light trains.

Comm. Patterson: As long as they don't have them, it isn't important.

By Exam. Mattingly:

Q. This may be covered in your written statement and I haven't read it. If it is, we can skip it, but is this rate [fol. 803] which is at present being charged on the cane inbound something in the nature of the transit rate?

A. Yes, sir, definitely, it is a transit rate.

Q. Was it sometimes called a cut back rate?

A. They pay the net transit rate in the initial instance and there is no cut back, but of course, if they did not ship

the product of the cane there'd be the necessity of paying the difference between net transit rate they had already paid and otherwise applicable local rate.

Q. Is that otherwise applicable rate shown in your testimony?

A. Yes, it is in exhibit No.——

Mr. Hillyer: 160?

A. 42. It is a mileage scale of rates prescribed by the Florida Commission a number of years ago and that is dual basis. They prescribed two lines of rates, one applicable when the product is reshipped by rail and the other which is double the one I just mentioned applicable when the cane is not reshipped by rail.

Q. When it is reshipped by rail, is there any provision as to the destination of the reshipment?

A. No, sir, the tariff on file with the Florida Commission is applicable only on intrastate traffic. It says so. But all along the outbound sugar has been shipped to interstate points and the outbound molasses has been shipped to some interstate points and some to intrastate points.

Q. Is it your position as a technical tariff matter that on [fol. 804] affic which moved inbound and the products moved outbound interstate that these net rates did not apply and that the local rates were really applicable?

A. We are not taking that position, but I think actually that probably would have been the case. It was brought out in the hearing of Docket 30087 that the railroads made a mistake when they filed that with the Florida Commission rather than with the Interstate Commerce Commission in the beginning and counsel for the railroads promised Commissioner Alldredge that it would be filed with the Interstate Commerce Commission and that was done and that relates in Docket 5646.

Q. You are not trying to correct those rates on inbound?

A. No, sir.

Exam. Mattingly: That's all.

A. Not on account of the rates. There are some outstanding under-charges due to the matter of minimum weights.

By Exam. Mattingly:

Q. I was talking about the difference between net transit rates and local rates.

Mr. Hillyer: Since Mr. Hicks stated his interpretation of the proceeding with Commissioner Alldridge, I would like to state mine. We pointed out to Commissioner Alldredge that Florida tariff had been filed without any notice and became effective on the same day that it was filed and that it was a transit tariff; that Commissioner Alldredge's posi-
[fol. 805] tion was they couldn't have filed the tariff in that form with the Interstate Commerce Commission. I am sure the Commissioner did not exact any promise from the railroads to do anything about it. He was merely talking, as I understood it, about the fact that the Florida intrastate tariff which was placed before him would not be acceptable in the form it is to the Interstate Commerce Commission under its rules.

Comm. Patterson: Won't the record in Commissioner Alldredge's case speak for itself? Why argue about that?

Mr. Hillyer: In the written testimony, two or three places Mr. Hicks referred to this promise to the Commissioner with the implication it was exacted.

Comm. Patterson: It is all right to call attention but I don't think there is any point in arguing it any further.

Mr. Gwathmey: This witness has not made the statement here that Commissioner Alldredge told the railroads to file this tariff with the Interstate Commerce Commission.

Comm. Patterson: It left the impression that the railroad had promised to file a tariff with the Interstate Commerce Commission in respect to that. I read his statement and that is the impression he left.

Mr. Gwathmey: I wanted to correct that——

Comm. Patterson: Off the record.

(Discussion off the record.)

Comm. Patterson: Any further examination of this wit-
[fol. 806] ness?

(No response.)

Comm. Patterson: You are excused.

(Witness excused.)

Mr. Petteway: Would this be an appropriate time to supply these exhibits we were to get numbered?

Comm. Patterson: Do you have them numbered?

Mr. Petteway: Just the first two introduced last night. The first two were received in evidence last night and the remaining exhibits, the first one will be 158 and 158. They were received last night. The next one is Florida Intrastate Application No. 142.

Comm. Patterson: Off the record.

(Discussion off the record.)

Mr. Petteway: I want to call attention to the fact the Exhibits Nos. 162 and 163 are not signed by the agent who filed them. The originals are signed and on file with the Commission. We offer these all in evidence, Mr. Commissioner.

Comm. Patterson: Let the exhibits Nos. 158 and 158 and exhibits 162 and 163 and 164, 165 and 166 be received for the record.

(Respondent's Exhibits 162 through 166, inc., Witness Hicks, received in evidence.)

O. P. Dowling was sworn and testified as follows:

[fol. 807] Direct examination.

By Mr. Gwathmey:

Q. Please give your name, address and occupation.

A. O. P. Dowling, address Lakeland, Florida, occupation Trainmaster.

Q. Atlantic Coast Line?

A. Yes.

Q. How long have you been connected with the Atlantic Coast Line Railroad and in what capacity?

A. 21 years; as telegraph operator, agent, train dispatcher, chief train dispatcher and trainmaster.

Q. Please outline in a general way your present duties.

A. I have general supervision over the men in train service and other employees in transportation service in the

territory assigned, which includes the Clewiston area. I examine these men, see that they understand and abide by the rules. I have to give special attention to prompt and economical operation of trains and movement of cars, and take general charge in case of accidents to insure prompt clearing of line and safety of trains and property.

Q. I take it, then, that you are th-roughly familiar with the handling of sugar cane to Clewiston, Florida, and the distribution of the empty cars?

A. You are correct, sir.

Q. Do you have a map or sketch of the Atlantic Coast [fol. 808] Line Railroad tracks over which the cane is moved to Clewiston and of the track layout in the mill yard?

A. Yes, sir.

Mr. Gwathmey: May we have the map marked for identification?

Comm. Patterson: 167.

(Respondent's Exhibit No. 167, witness Dowling, marked for identification.)

By Mr. Gwathmey:

Q. Mr. Dowling, this map shows the Atlantic Coast Line tracks, does it not, and purports to show the tracks of the Florida East Coast extended eastward from Lake Harbor, Florida, is that right?

A. Right.

Q. These little squares on the map, little stub lines are mile posts, aren't they?

A. Correct.

Q. Does the map itself show the name- of the various sidings at which cane is located along the line of the Coast Line?

A. Yes, sir, it does.

Q. Does it also show the layout of the plant of the United States Sugar Corporation at Clewiston?

A. Yes, sir.

Q. And the tracks at that point are shown in the inset?

A. That's right.

Mr. Gwathmey: Mr. Commissioner, If there are any questions you or the Examiner would like to have cleared [fol. 809] up about this map, I would be glad to do so.

Comm. Patterson: I think the map is clear enough.

Mr. Gwathmey: Thank you.

By Mr. Gwathmey:

Q. Please point out for the benefit of the Commission the principal features of the map, including a description of which are railroad and which are Sugar Company tracks.

A. Gunson siding on the map has been removed. Benbow No. 3 siding was eliminated through error and I have added that siding in ink. It is immediately opposite Friarson & Company's team track. My post VD 940.

It is my understanding the main track Moore Haven to Lake Harbor is railroad owned, also team track at Ames, Epps, Clewiston, passenger team, Clewiston freight station yard, including wye, the mill interchange track at Sugar Junction, and all tracks at Lake Harbor to center of the canal bridge, including the wye. The Sugar Company owns the tracks at Gramlin, Benbow No. 2, Benbow No. 3, Liberty Point, Sugarton, Sugar Junction (except interchange track), Ritta, Bare Beach, and Watson, and has an interest in the track at Shawnee. These tracks serve loading hoists which are accessible to roads leading from cane fields. Our crews, engines and cabs originate at Clewiston freight station, working in and out of Clewiston, handling empty cane cars from the mill to the various loading hoists on our line, [fol. 810] and to the Florida East Coast Railway at Lake Harbor for loading at hoists on that line, and handling loaded cane cars from the hoist tracks on our line, and from the Florida East Coast at Lake Harbor, to the mill yard at Sugar Junction. The terrain is practically level, however, there are some stiff curves where speed is restricted. Clewiston (including Sugar Junction) and Lake Harbor are in yard limits, and trains and engines operate under yard limit rules which call for a speed at which they can stop within one-half the range of vision. Other tracks are used under straight train order operation. The most distant point of operation south of the mill is Lake Harbor, eight miles, and north of the mill, Gramlin, twelve miles. The

close proximity of the loading hoist tracks to each other makes it impossible to obtain near maximum speed especially with train of any size and the absence of a wye at the north or west end turnaround point makes it necessary for trains to move in one direction with engine backing up, which restricts speed to 15 miles per hour. Maximum speed north of Clewiston is 35 miles per hour, and south of Clewiston, 20 miles an hour.

Q. Please point out the locations at which the cane is loaded into the cars, and tell us how many cars each of the loading sidings will hold.

A. Starting at the north end, Gramlin will accommodate 15 cars; Benbow No. 2, 15 cars; Benbow No. 3, 15 cars; [fol. 811] Liberty Point, 21 cars; Sugarton, 15 cars; Ritta, 20 cars; Bare Beach, 15 cars; and Watson, 8 cars. You understand Gramlin siding has a car capacity, or length, of 30 cars, but that when 15 cars are spotted north of the loading hoist, the south end of the track or south of the hoist has to be left open in order for tractors to pull cars down as they are loaded. Thus, if 16 instead of 15 cars were spotted, only 14 could be loaded. Ritta is a spur having a hoist track of 20 cars capacity, and storage track of about same capacity. Cars are switched on both of these tracks by the United States Sugar Corporation tractors which can place cars from one track to the other. Other hoist tracks are similar to Gramlin, that is, double-ended.

Q. How is the cane from the various loading points waybilled?

A. By conductors.

Q. How many locomotives, caboose cars, and train and engine crews are normally required to furnish the service of moving this cane to Clewiston?

A. Three Pacific 4-6-2 type steam locomotives, with tractive power of 33,400 pounds, three caboose cars, and four train and engine crews.

Q. You are speaking of Atlantic Coast Line now, are you not?

A. Yes, sir.

Q. Please describe the duties of the train and engine crews, and exactly how the empty cars are moved from the mill.

[fol. 812] A. Empty cane cars are lined up on a track in the

mill yard by United States Sugar Corporation engine as they are unloaded, and most generally the empty car trains are ready on arrival of our crews, but at times our crews have to wait for sufficient empty cars to protect necessary placements which, of course, builds up initial terminal overtime payments to our crew. On obtaining engine and cab at freight station, crew heads out north wye, backs down main track to south wye at Sugar Junction, heads into and through the mill yard to the scale house where it received the Sugar Company's instructions. These instructions tell the conductor how many empty cars he is to handle from the mill and exactly what he is to do with them, showing number of cars to be spotted at each loading hoist and number to be delivered Florida East Coast.

For south end runs, a copy of the Sugar Company's instructions is furnished our conductor for delivery to Florida East Coast conductor at Lake Harbor, instructing him as to switching at Florida East Coast hoists. These instructions specify also the loads to be moved, and in case of anticipated large trains, instructions may include mention of track in which to head at the yard on return. Southbound trains place caboose cars on south end of the empty cars and run engine around train, getting on train at north end of yard and heading out south wye.

[fol. 813] Northbound trains run around train, drop caboose by—in other words make a flying switch—and place it on north end of train, returning to south end and attach engine, back train out through south wye, then head northwardly.

Southbound trains working Ritta make up trains in same manner northbound trains do, that is, with cab on north end, engine on south end, and back entire train out south wye and to Ritta.

This is necessary because there is no track at Ritta to run around cars. When the empty cars in mill yard have been cabbed and while engine returns to opposite end of train, the conductor walks the train making a list of the cars, in order to make out his car accounting reports. As soon as the trainman is able to leave the engine, it is his duty to walk the train lining up air hoses, checking angle cocks and hand brakes. When engine couples to train, air brake pipe pressure is built up and regular brake test made

to assure proper working of brakes. Then train proceeds on its way.

It is always necessary for trains in both directions to leave and enter the mill yard through the south wye to keep the cars turned in the right direction. The cane cars are constructed for unloading on one side under three hanging type hopper doors, which are released after elevating the opposite side of car by lifting rail. Since only one side of the cars has doors, the loaded cars must be handled into the mill with doors on west side so they can be dumped. [fol. 814] Working hoists usually require a full or capacity spot of empty cars, which is called for on the Sugar Company's instructions. When conductors on outbound trains have instructions, for example, to leave 15 empties at Sugarton, it is with the understanding the 15 cars previously placed at Sugarton have been loaded, but oftentimes conductors find only 10 or 13 cars loaded and crews still working. Thus it is not possible for them to leave more than enough empty cars to build up to 15, which is the hoist track capacity. If *then* are loaded, therefore five empty cars are already on hand, and the conductor can leave only ten of his 15 empties, making necessary to carry by five empties and bring them back on return trip, dropping them by on north end of track. He is required to leave the empty cars exactly as instructed by the mill, otherwise he may tie up a loading hoist crew waiting for empty cars to load.

In the case of empty cars delivered Florida East Coast, when Florida East Coast delivers us train of loaded cars, our train is pulled to north end of north switch, long interchange track, Lake Harbor, and engine cut off. Florida East Coast train is pulled up our main line just south of this switch, or between the interchange track switches. Our engine couples to Florida East Coast train of loads; Florida East Coast engine couples to our train of empties and pulls it through the interchange track siding, thence [fol. 815] to its main line. Soon as rear of the empty train passes north interchange track switch, our train departs for Clewiston. Regular air brake test, and a check of train for hand brakes, are made, of course, before departure.

Q. Is there any particular necessity of operating with

unusual caution on account of possible interference from yard engines, etc?

A. Yes, sir, while operating in the mill yard, in addition to observing yard limit rules of slow and careful operation, our crews are required to exert themselves unusually to avoid getting into the path of switch engines and their trains. In addition, while in yards exclusively used by our crews we can always depend upon ladder and lead switches being properly lined, but this is not always true of the mill yard as mill crews are apt to leave switches as they were last lined up when used. Our crews, therefore, have to operate expecting switches to be lined any way, and are under orders to leave switches in the mill yard lined like they find them. Then, too, the difficulties of night operation where vision is obscured by curves, or by fog, or by many lights making it difficult to discern and interpret lantern signals, present delaying results. Once we get out of the mill yard and on the road, the switching and running can be controlled much better and a faster operation obtained.

[fol. 816] But every move we make in the sugar mill yard is of necessity carefully guarded to allow for mill engines. When engines are pulling, brakes can easily be applied on engine and train when speed is under control, but when trains are being backed, trainman on head end of the cut watching for obstructions and switches has to rely on hand sighals or on opening of angle cock to apply brakes in emergency, in order to stop. We make the same number of moves backing up that we make heading in the mill. If the train backs out of the mill, it heads in, and vice versa.

Q. Please describe the placing of the empty cars at the various loading sidings.

A. We place empties according to the instructions given the conductor by the Sugar Company at the scale house. The assumption is that on ou-bound trips, we will merely set out empty cars in farthest end of siding from the sugar mill. This is what occurs when the hoist is not working at its capacity and there is room, or when all cars previously spotted have been loaded, but if all cars are not loaded and there is not room to leave a full complement of empty cars, the conductor has to take the surplus by with him, and on return trip has to drop them in. In placing empty cars at Ritta hoist, it is necessary to back entire train from the

mill yard to Ritta, leave trai on main track south of spur-switch, back engine into spur and gather up loads from both hoist and storage tracks, pull them to main track and [fol. 817] couple to empty train, cut off cab, pull up, and shove the empties in clear on spur, then shove loads back on main line, take engine back into spur and shove empties back to Ritta hoist and storage tracks as desired. This hoist usually loads 35 to 40 cars, and this means that during this switching operation, on the curves and over the crossings, usually at night, switching is done while handling up to 80 cars. When backing from mainline to hoist shoving cars ahead, conductor rides front end of leading car with a burning fusee and shining his lantern ahead to look out for cars on the main lead pulled down by tractors, and has to be prepared to stop quickly with application of emergency brakes by opening angle cock. This is not especially bad on a clear night, but the nights on the lake are not always clear, and under such conditions the operation has to be surrounded with great caution to avoid a collision or injury.

Q. Please now describe the operation of picking up the loaded cars on the return movement.

A. On return of the trains toward the mill from north end, cab is dropped by engine at turn-around point, then the engine cuts off and picks up loaded cars from end of each siding nearest the mill. We frequently have instructions to get a certain number of loads from a hoist, and at times this requires waiting for sufficient number of cars to be loaded, particularly where minimum train limit of 15 cars is involved. This may also be the case when empties [fol. 818] are running close. For the last month or six weeks of past season, we waited from one to two or more hours at Gramlin for cars to be loaded, almost daily. Normally the switching at the double ended hoist sidings is a simple pickup, but there are times when surplus empty cars which cannot be put in the sidings have to be left on opposite end to avoid long empty mileage, and under such circumstances these cars have to be switched back of the loads. At Ritta, the operation is as previously explained. The loads are on both tracks and perhaps on the main lead of the spur track. While the trainman is picking up, lining air, checking hand brakes, etc., the conductor is check-

ing the loads to see if safe for movement, and making a list of the cars of waybilling, and making out his reports. When he returns to the cab, he makes waybills and bills of lading.

Q. Please explain how the trains of loaded cars from the north end and the south end, respectively, are handled through the wye at Sugar Junction and delivered to the Sugar Corporation.

A. Trains from the north end are pulled by the south wye switch at Sugar Junction, and backed into the mill yard through the south wye, to keep cars turned right, with conductor riding the leading platform of cab, watching out for an open track. This movement, in addition to being slow for reasons of safety previously outlined, has to be extra slow to allow conductor time when he finds an open yard [fol. 819] track in which to put his train, to run ahead of cab and line switch to head in such track. After getting train into this track, engine is cut off and run around the yard lead to opposite end of train, picks up caboose, and returns to the freight station to tie up.

Trains from the south end pull into the yard through south wye, head down yard ladder until an open track is found, then head into such track, meanwhile dropping caboose on the south wye so the mill engine can attach quickly to a cut of cane and get it ready for dumping. South end trains usually include Florida East Coast connection, as well as Watson, Bare Beach and Ritta pickups, and average probably 75 or 80 cars to the train, oftentimes run as high as 115 cars which we try to observe as a train limit for both loads and empties.

Q. After the delivery of the trains what, if any, additional duties devolve upon the train and engine crews?

A. After the delivery of the trains, the engine and cab are taken off, there are no regular duties in connection with cane service. As to the crew and engine and cab, they have to be returned to the freight station through south wye Sugar Junction and north wye Clewiston, cleaning engine fire and dumping cinder pan at some point en route, frequently on some part of the sugar yard where clinkers are needed on the roadbed. After taking water, the caboose is set to cab track and engine to engine track opposite coal [fol. 820] car, conductor registers his train and crew is re-

lieved. Whenever an accident of any kind occurs en route involving the sugar mill's equipment, such as a broken knuckle, burst air hose, defective wheel or brake rigging, it is the crew's duty to make report of such occurrence in writing to the Sugar Corporation, delivering it any removed defective equipment. Our crews also leave a written list at the Sugar Corporation office at scale house, showing how many cars were left outside at each hoist and reporting any unusual condition or occurrence noticed, including such notice as they might have received from Florida East Coast crew, Lake Harbor.

It should be observed that in entering and leaving the mill yard, our engines always do so through the south wye. This principally is because the north wye is often blocked with cars left there for through trains to pick up, such as molasses, sugar, bagasse, etc. This method of entering yard keeps the engine and cars turned in one direction, however.

Q. Mr. Dowling, while you have before you the map marked Exhibit No. 167, I want you to look at the inset. That as I understand shows the tracks of the United States Sugar Corporation at its mill, is that correct?

A. I believe so, yes.

Q. At Clewiston?

[fol. 821] A. Yes, sir.

Q. Are you familiar with the way in which the cars of cane are handled by the sugar company after arrival at the tracks shown in the inset? In other words, are the cars moved over to the washer shown on the left hand side?

A. Yes, sir.

Q. Is that right?

A. Yes, sir.

Q. Are they then switched back again to the scales as shown on the map?

A. That is correct.

Q. Is all of that switching performed by the Sugar Company with its own engines and crews and is it purely an intraplant operation?

A. That is correct.

Q. Do the railroads have anything to do with it?

A. No, sir.

Q. Just one more thing, Mr. Dowling: In the course of his

testimony, Mr. Patterson had something to say about the expenses for drainage purposes in the territory in which the cane is grown. Do you wish to make any observation in that connection?

A. We have operated a number of work trains to the Clewiston area to help control water. Of course, the roadbed of the railroad is a natural dike. It has to be. The [fol. 822] most recent case I recall, Mr. Gwathmey, was about—it was in September, 1947. Some farmer down near Lake Harbor called in when I was chief dispatcher and asked that a train be operated and some roadway forces sent to help him control a dike. Of course, we recognized Mr. R. Y. Patterson as an authority on water control and I got in touch with Mr. Patterson through our general agent and got his opinion as to the need for service and materials and my recollection is that we operated the train on that particular instance.

We have operated a number of trains into the Clewiston area for the general purpose of controlling water. There is a dual purpose, of course, in saving our road bed.

Q. So that if I correctly understand you, the railroads are subjected to a considerable amount of expense themselves in connection with this matter of drainage, is that correct?

A. That is correct.

Q. Now, you heard Mr. Cecil Jones testify about the number of cars handled per train. Did you wish to make any comment upon that?

A. Mr. Hicks has covered that right well. We run a number of trains out of Clewiston with caboose only. It's been my understanding and the operating people's understanding that we had to handle 15 loads into the mill in order to protect the minimum train load to obtain the rate. We have [fol. 823] observed that. There are many trains though operated with less than 60 cars. I know we have run them, run many a train from Clewiston cab light and running when we often bring trains in with only 15 cars. But the average number of cars moving from all hoists on the north end, I would say, runs 35 to 40. I don't believe there's ever been a 60 car train moved from the north end of the sugar mill on the north end runs.

Q. Mr. Young in his testimony dealt with three loco-

motives he said were used by the railroads. The Coast Line, as I understand, it has three locomotives assigned to the service?

A. Four. They use three locomotives constantly but they assign four of them to take care of the inspections and repairs, swapping these engines off. It is about 140 miles from our shops to Clewiston and we assigned four engines to the cane service exclusively for the use of that service.

Q. That is Coast Line alone?

A. Yes, sir.

Q. Not to mention the Florida East Coast?

A. That is right.

Q. Do you wish to make one or two other comments about the testimony of Mr. Young? You handed me a memorandum. I will let you look at that.

A. Of course, our terminal overtime expense at Clewiston [fol. 824] is built up by every delay we have in the yard. In order to switch cars within the sugar yard, the sugar company bleeds the air off of the cars and by doing that, in order to avoid standing and holding the valve open, they will put a stalk of cane in there. Now a conductor finding the brake inoperative and he will look around and find a stalk of cane still in there with bleed cock still open.

By Comm. Patterson:

Q. They inspect it for air on every one of those trains; they'd find it at their normal inspection. That wouldn't take any additional time?

A. That is correct. Of course, the item of coal in the Clewiston cane train service, we use the best coal that we receive on those trains, Clinchfield and Virginia coal. Of course, it is a long way from Virginia and the Clinchfield area to Clewiston. It is about as far as we haul coal and I might say here all during the war when we were using the proportion of *of* real estate, you might say, in our coal and our main line passenger trains were suffering horrible delays, the trains operating in the cane service were operated without delay because of the coal. Our main line suffered delays and used poor coal and had to stop and clean out the fire box. Of course, we are going into the five-day week on September the first. It is going to vastly increase the operating expenses. We have clerks and operators and

dispatchers and porters who will be affected by that. The [fol. 825] dispatchers,—there's been some testimony about our dispatchers. I have dispatched these trains. Normal operation last season required operation of 16 dispatched trains each 24 hours which roughly I'd say represents 20 to 30 percent of dispatcher's duty. Of course, that is a terrible expense and it is going to be increased September 1st.

I call attention to the fact that vacation cost for train and engine crews were almost doubled yesterday, July 1st. We have a terrible expense of——

Comm. Patterson: Everything on that line must be terrible.

A. It is terrible. It is with the cane. And we have pretty bad expense with deadheading of crews from our terminal at Lakeland. They deadhead back and forth because of seniority, normal sickness and normal changes of crews and a great deal of that is company expense, 143 miles each way.

Of course, at the outset of the season, we have to run extra service to Clewiston in order to get crews and power in place and at the end of the season we have to operate extra service to put them back in place.

By Comm. Patterson:

Q. Isn't that normal operation on any branch line?

A. It is, but there is no compensation.

Q. But it is no different here than it would be on any branch line?

A. That's right.

[fol. 826] Mr. Gwathmey: That's all.

Cross-examination.

By Mr. Pettijohn:

Q. Did I understand you to say deadheading? The crew exercising seniority rights was paid by the company?

A. I said a good deal of deadheading was paid for by the company.

Q. But when he exercises seniority right, the company is not put to any additional expense?

A. I think he is exempt from payment of deadhead.

Q. You spoke of some drainage work, the company sent

a work train down there. That wasn't the contribution of the company?

A. Contribution—but——

Q. But the cost was included in the rates of the railroad and that is one reason you are asking for an increase in the freight rates?

A. I say the expense of operation of this work train and the expense of the use of the roadway crews at this point was an expense of the railroad and that is in connection with certain testimony by the railroads not contributing to the drainage.

By Comm. Patterson:

Q. The railroads charge that into operating expense?

A. Possibly it was.

[fol. 827] Q. That is part of the normal operating expense.

By Mr. Pettijohn:

Q. Is it not a contribution in the sense that the railroad gives that much?

A. That was done at the request of the people in the territory for the purpose——

Q. Between what terminals do the trains which handle this sugar cane operate?

A. From Clewiston to Lake Harbor and Clewiston to as far as Gramlin. Their home terminal is Lakeland.

Q. It is handled by through trains operating from Lakeland to Lake Harbor or do they make a turn-around?

A. No, by local trains. By establishing a local terminal at Clewiston and sending in to that terminal from Lakeland.

By Comm. Patterson:

Q. You say you assign a crew from Clewiston both ways to Gramlin in one direction and over to Lake Harbor in the other direction and he stays there and operates during the cane season?

A. Yes, sir.

By Mr. Pettijohn:

Q. He is a turn-around man?

A. Yes, sir.

Q. Does he operate under a schedule?

A. Yes, sir, rigid schedule.

Q. Do they keep the schedule pretty well?

A. Yes, sir.

Q. Is much overtime paid on those runs?

[fol. 828] A. Plenty.

Q. In other words, the schedule provides for an overtime?

A. It does not. The overtime is built up by arbitraries. We don't once a week pay a man overtime for service in excess of eight hours.

Q. It is terminal overtime?

A. Yes, sir.

Q. At Clewiston, generally?

A. Yes, and hostling, and occasionally extra moves.

Q. You maintain any switch engines at Clewiston?

A. No, sir.

Q. In the spotting of these sugar cars for loading, as far as placement is concerned, is it any different from the placing of a car at any industry?

A. No, sir, I would say it is not because all you have to do is line the switch and throw the derailer off the track and put the car in, but you may have to put in at the opposite end of the car or track or store it until there is room in the track.

Q. Don't you have to do that also at certain industries?

A. In some large industries I have observed, and no doubt it has come to your attention, where cars have backed up and it is necessary to place embargoes.

Q. Is there much real difference between the services performed in connection with the transportation of sugar cane [fol. 829] to the mill, except perhaps as to the safety proposition, the fog and the slow running time, than there is on any other section of your road down in Peninsular Florida?

A. I don't think that there is except for the fact, of course, you understand you are operating a locomotive backwards. The engineer is on the wrong side to see his normal approaches, to find his spots for applying the brakes to stop. His speed is restricted; his view is obscured. The sugar

cane service is peculiar to itself and the only way you could give the picture you are asking is to go down and look yourself.

Mr. Pettijohn: That is all.

Comm. Patterson: Any further cross examination?

By Mr. Hillyer:

Q. Mr. Dowling, on your exhibit No. 167, did I understand you to say all of the tracks marked in heavy white are owned by the Coast Line?

A. I said it was my understanding that certain tracks were owned by the Coast Line. As to the ownership of the tracks, I cannot testify possibly to that because I have never seen any deeds on them. I don't know who owns them. I assume we do. The main line from Gramlin to Lake Harbor, the loading tracks owned by the Sugar Corporation, as I understand are Gramlin, Benbow No. 2, No. 3, Liberty Point, Sugarton, the sugar yard at Clewiston, Ritta, Bare Beach, and Watson. I think they have an interest in Shawnee because cane is loaded. It may be it is privately owned.

[fol. 830] Q. Isn't it true where you show the dotted line and the marks "see inset" that you only own the main line there and that the Sugar Company owns the wye?

A. I cannot testify to the fact of ownership.

Q. Do you question Mr. Cecil Jones' testimony that all of that track from there into the plant and all of the track shown in the inset are owned by the sugar company?

A. No, sir, I do not question that. It is a matter of record and a fact that can be established.

Q. You spoke of holding an engine at Gramlin?

A. Yes, sir.

Q. Isn't it a fact by holding it there you save an additional train?

A. I am not able to answer that. I know that we held it on instructions of the sugar company and it was held.

Q. And they do that for your own operating economy, don't they?

A. We did it because the sugar company asked us to. I may state, Mr. Hillyer, I would like to say that that did not add any to our expense except for the fact that the engine

probably burned a few more scoops of coal. It didn't add to the overtime. It was away from the terminal and in all fairness, that had no bearing on the expense.

Q. Now, at Ritta, isn't it a fact that the Sugar Company works that track partly, at least, to save you from using [fol. 831] another train?

A. Do you mean the capacity of the track is such that we don't have to work it twice a day as we do some certain other tracks?

Q. Yes, you just work that one time a day?

A. That'a all, one time a day. At night.

Q. Now, you talked about this 15 carload minimum as though it were some imposition on you which was created by the sugar company. Did the sugar company put in that 15 car minimum or did the railroad put it in?

A. I don't know who put it in; from the testimony I have heard here today, I question whether it is in, but I don't know.

Q. Now, in placing the empties as Mr. Jones described, Mr. Cecil Jones described, on the many tracks in the plant property, isn't it a fact that they have plenty of cars there to give you about as large a train as you want to haul out?

A. No, sir, I have personally waited in that yard an hour and a half on a very recent occasion, just prior to the closing of the season, for the empties.

Q. Right at the close of the season?

A. I would say near the close. I don't recall the date. It may have been a month or two months before the season closed. I was there when it happened.

By Comm. Patterson:

Q. That is, they may have enough cars, but they don't have them available?

A. They don't have them dumped. They shove them into [fol. 832] the track as fact as they are dumped.

By Mr. Hillyer:

Q. Do you recall whether or not that particular instance was caused by a breakdown in the sugar house?

A. I do not know. I couldn't answer that.

Q. You spoke of a fourth engine being used. Was that an engine or crew?

A. Engine. There are four crews used regularly. They are used.

Q. Isn't that for the engine used in the passenger or put on the passenger train?

A. We use a passenger train to get it down. It is not regularly used in passenger.

By Comm. Patterson:

Q. You transfer engines for washout, by moving them on passenger trains and trading them?

A. That's right.

Q. Isn't that a common practice on every railroad?

A. Yes, sir.

By Mr. Hillyer:

Q. Isn't it a fact, taking normal conditions, you have only two engines working at any one time?

A. Normally I would say that, but I have seen all three engines out at the same time. That is the reason we have to keep three there.

Mr. Hillyer: Without going into the matter of changes in number of work days per week and vacations and things of [fol. 833] that kind, I would merely call attention to the fact that this case relates to Ex Parte 166 period. And that matter of present costs and those effective September 1st, is now before the Interstate Commerce Commission and will be before the Florida Commission later. So I take it they are not in issue here.

By Mr. Hillyer:

Q. You spoke of the end of the season and the beginning of the season and having to use what you might call season end trains. Isn't it a fact they take revenue freight and can take revenue freight such as raw sugar out of Clewiston?

A. Well, we have done it at times. I would say now that most of the time the regular train is able to take care of all regular tonnage on line of road and if we have at any time

used that train in handling regular tonnage, it was merely to expedite the movement of the regular train and it wasn't a necessary adjunct. We have run that train double heading two engines and three cabs from Clewiston to Lakeland with four or five sugar boxes, box cars.

Q. Now in any part of the Coast Line system, isn't it a fact you had to take engines or cabooses or particularly the engines comparatively long distances to get to a big repair shop such as you have in Lakeland?

A. I can speak only for the Tampa district. I believe as far as we run a locomotive to outlying points in the Tampa district for regular service is Fort Myers to Lakeland, 112 miles.

[fol. 834] Due to the class of power we use on Fort Myers Southern we are not able to swap those locomotives off in regular service. They are very light engines.

Q. Do you have any tonnage at Fort Myers that is anywhere near comparable with the Clewiston tonnage?

A. No, sir, we have not.

Q. Isn't it a fact that the Clewiston agency creates more railroad revenue than many of the larger cities in Florida?

By Comm. Patterson:

Q. Do you know anything about the revenue of the railroad?

A. No, sir.

By Mr. Hillyer:

Q. Now, your testimony gave me the impression these trains were run awful fast and on split time schedules for some reason. That trip from Gramlin to Clewiston, what is the distance of that, about 12 miles?

A. 12 miles.

Q. How long does it take to go up there and back?

A. I would say that the north end runs average three or three and a half hours?

Q. That is for the round trip?

A. For the round trip.

Q. That is around four miles an hour, something like that?

A. Well, you take into consideration the work and operation in one direction is fifteen miles per hour, yes.

Q. You didn't mean to imply sugar cane was perishable, [fol. 835] which required expedited service?

A. We are giving the sugar cane many times better service, better attention than perishables often have.

By Exam. Mattingly:

Q. Did you say it is three hours for a round trip?

A. Yes.

Q. Then it is better than four miles an hour?

Mr. Hillyer: I am running nearer eight.

By Comm. Patterson:

Q. It is all equivalent to yard operation. That is what it amounts to. You run under rule 93 all the time?

A. No, we operate under train orders.

Q. But as far as speed is concerned you operate under rule 93 because you testified they had trains in every instance that had to stop within the range of vision or even shorter. So they are yard operations as a pratical matter?

A. That's right.

Mr. Hillyer: That's all, Mr. Dowling.

Comm. Patterson: You are excused.

(Witness excused.)

Exam. Mattingly: Before he goes, would you locate on the map just as a matter of information where sugar junction is?

A. Sugar Junction is known by the railroad as the junction leading from the main line into the sugar mill.

[fol. 836] Q. Could you identify it by any of these symbols or crosses or anything on the map?

A. Between my pose VD-949 and VD-950.

By Commissioner Patterson:

Q. Well, isn't Sugar Junction in this little square marked "inset" (See inset)? At the wye coming into the sugar mill?

A. That is correct.

By Exam. Mattingly:

Q. Is that where it is?
A. That is correct.

By Comm. Patterson:

Q. I wanted to ask one question: This whole operation between Lake Harbor and Gramlin appears from your testimony that operation is conducted under the direct instructions of the sugar mill and at their convenience?
A. Correct, sir.

Comm. Patterson: You are excused.

(Witness excused.)

Comm. Patterson: We will take a ten minute recess.

(A recess was taken for ten minutes.)

I. E. Hamilton was sworn and testified as follows:

Direct examination.

By Mr. Gwathmey:

Q. Give your name.
A. I. E. Hamilton.
Q. Where do you live?
[fol. 837] A. Pahokee, Florida. My office is at Belle Glade, Florida.
Q. You are connected with the Florida East Coast Railway Company?
A. Yes, sir.
Q. What is your position?
A. Trainmaster.
Q. As trainmaster?
A. Yes, sir.
Q. What is the extent of your duties?
A. I have general supervision of the train and engine crews and also the station forces on our Fort Pierce-Lake Harbor branch.

Q. Will you describe the handling of empty and loaded cane cars on this branch?

A. At the beginning of the cane season, that is, a few days before the sugar cane mill begins operation, the Atlantic Coast Line delivers a cut of cane cars to us each day and we distribute those at the five hoists and to the interchange track with the United States Sugar Corporation at Canal Point with our regular service. On the day before the sugar mill begins operation, we send two crews out of Miami by way of Fort Pierce to Lake Harbor. One of these crews gets an engine and caboose at Fort Pierce and is paid deadhead mileage on a passenger mileage to Fort Pierce and a total of nine hours for the 73 miles from Fort Pierce to Lake Harbor.

[fol. 838] Q. Mr. Hamilton, you have spoken several times of Fort Pierce. Perhaps you had better state just where that is located on the Florida East Coast Railway.

A. Fort Pierce is the northern terminus of the Fort Pierce-Lake Harbor branch and is located 242 miles south of Jacksonville on the main line of the Florida East Coast Railway.

Q. From what points do you obtain engines and crews to operate the cane trains?

A. We obtain the engine from Fort Pierce. But the crews we get from Miami.

Q. Just how are those,—describe that operation there of what those engines and crews from Miami do.

A. In case of a crew to be used at Lake Harbor, we deadhead these crews and pay passenger deadhead rates to Fort Pierce. The crew that takes the engine and caboose to Lake Harbor are paid local freight rate for eight hours plus one additional arbitrary hour for turning the engine and putting the train away at Lake Harbor. The other crew is deadheaded and passenger service is paid, deadhead passenger pay to Fort Pierce, 124 miles from Miami and deadheaded to Lake Harbor on one of our regular trains and is paid 73 miles local freight pay for deadhead.

Q. How many cane hoists are located on the Florida East Coast and between Lake Harbor and Canal Point?

[fol. 839] A. Five.

Q. Describe the interchange operation at Canal Point.

A. At Canal Point we back the entire train around the

curve over the very busy road crossing to the cane interchange track. There we make a switch cutting off the caboose which we put on the end of the loaded cane cars and shove the empties either into the interchange track or down the sugar company track, whichever the case may be. Then we pull the loaded cars out to our main line and shove them down the length of the train and run around this train in a 79-car passing track that we have recently built, principally to take care of this movement. Around this curve it is practically impossible to test hand signals, so it is necessary to install an electric signaling apparatus so that the train man can signal the engineer to go forward or backward, as the case may be.

Q. How much time does the interchange of cars consume?

A. About 30 minutes.

Q. How many cars of cane do you ordinarily pick up at Canal Point?

A. That caries considerably. Sometimes we get only 15 or 20 and we have times when we do get 60 cars or more cars, but my experience has been that the average would be about 30.

Q. About 30?

A. Yes, sir.

Q. How many cane trains do you operate daily?

[fol. 840] A. Three.

Q. Three?

A. Yes.

Q. How many men per crew?

A. Five.

Q. How are they paid?

A. For each run. Each turn-around run, between Lake Harbor and Canal Point, they are paid eight hours plus an arbitrary hour at Fort Pierce and this is paid at branch line rates which is the same as local freight rates.

Q. Do all five men in the crew get this additional hour?

A. Yes, sir.

Q. How long do these crews average being on duty?

A. From 4 and a half to 5 hours.

Q. Are you able to use these crews for any other purpose?

A. Under our working agreement with the men we have a right to use them for any switching that might be necessary en route. However, the demands of the sugar corporation

are such that we are only able to use these crews for any other switching except in extreme emergency.

Q. You are only able to use them in case of emergency?

A. Yes, sir, and then only for a few minutes at a time.

Q. If you were able to use these crews for switching at packing houses on the line, could you reduce the overall operating cost of this branch?

[fol. 841] A. Considerably.

Q. Why do you operate cane trains on timetable schedules?

A. Our experience has been that we can keep these trains on a time operation and better serve the sugar company by operating them on a timetable schedule.

Q. Your experience in that respect, I take it, is similar to the Coast Line which has been described here?

A. Yes, sir.

Q. Do you give the cane trains preference over the other trains on this branch?

A. Positively.

Q. Does this cause additional expense?

A. Yes, in many cases we delay other trains in order to give the cane trains the right of way. In many cases this results in overtime for other crews.

Q. How about deadhead expense?

A. We have a considerable amount of deadhead expense because in some cases of relieving men on account of exercising seniority, being off on account of sickness and other reasons.

Q. Are the various hoists on your line active?

A. Yes, all five of them are active. However, we do not usually have all five of them operating any one day because we have the sugar company stagger their holidays, week-end holiday. But usually we pick up that two or more. Set out cars at and pick up loaded cars at two or more.

[fol. 842] Q. Is there anything further you want to say, Mr. Hamilton, about the operation of your line?

A. I believe not.

Commr. Patterson: Cross examination?

Cross examination.

By Mr. Hillyer:

Q. When you spoke of a road crossing, you didn't say what kind. Was that another railroad crossing or highway?

A. Highway crossing. We have to protect it with flagmen.

Q. Is that electric signal put in only on account of sugar cane traffic?

A. Yes, sir.

Q. How many trains a day do you have on that run in the Lake Harbor region during the vegetable shipping season?

A. At the height of the season we sometimes have as many as four trains in each direction operating in this territory. In addition to the cane trains.

Q. Can you give us an idea of the volume of cars of vegetables per season handled by you on that line?

A. During the '47-'48 season we handled something like 7600 and for the '48-'49 season, we handled something over 8,000 cars.

Q. Is the majority of it spotting of empty refrigerator and the picking up of the loads of that 7600 or 8,000 along this same line between Lake Harbor and Canal Point?

[fol. 843] A. Yes, sir.

Q. Isn't it a fact that you have difficulty in making the exact closing time for the schedule of those trains?

By difficult, I mean you have a very close working margin, almost to minutes in pulling those trains out of there to meet their schedules?

A. Yes, sir, our closing hour is 11:00 p.m. and at that time there are no trains, cane trains on the railroad.

Q. And then you have to pick up the vegetables all along that line from the loading platforms and packing houses?

A. That's right.

Q. Do you do the spotting of the empty cars at the packing houses for the vegetables?

A. Yes, sir.

Q. Do you have any petroleum coming inbound in that same region, petroleum products?

A. A very modest tonnage.

Q. Do you have some tank cars?

A. Some tank cars.

Q. Do they require spotting,—individual spotting?

A. Yes.

Q. Do you keep crews assigned during the perishable season for that particular traffic?

A. Which do you have reference to?

Q. Vegetable traffic?

[fol. 844] A. Yes.

Q. Are your schedules timed very closely for deliveries in eastern markets in New York and so forth from point of origin?

A. They are.

Q. Are they run as expedited trains?

A. Yes.

Q. Now, isn't it a fact that as far as the trains are concerned, you have to pay the men for much more time than they consume in the operation itself, including the stopping at the loading hoists on your line?

A. You have reference just to cane?

Q. Yes.

A. Yes, sir.

Mr. Hillyer: That's all, thank you.

Comm. Patterson: You are excused.

(Witness excused.)

Mr. Gwathmey: I want to recall Mr. Hinnant to make comments on several exhibits presented by Mr. Maurer. He will be our last witness.

C. L. Hinnant was recalled to the stand and testified further as follows:

Direct examination.

By Mr. Gwathmey:

Q. Mr. Hinnant, do you have some brief comments which you wish to make with reference particularly with to cer-

[fol. 845] tain exhibits offered in this case by Mr. Maurer?

A. I do.

Q. Please proceed.

A. Mr. Maurer's exhibit 110 through 117 show rates that apply on lumber from various West Florida and Georgia origins to representative points in that, but he does not indicate the distances.

I have two illustrations to show that the interstate rates from Georgia origins are on higher mile for mile level than those from West Florida origin on Exhibit 110. It is indicated that the rate from Albany, Georgia, to Jacksonville is 22 cents per hundred pounds including increases through Ex Parte 166, while on Exhibit 110 the rates to Jacksonville from Chattahoochee and Panama City, Florida, are shown to be 17 cents and 22 cents per hundred pounds, respectively. The short distance from Albany, Georgia, to Jacksonville is 187 miles and from Chattahoochee to Jacksonville is 209 and from Panama City to Jacksonville is 294 miles. The rate from Albany, Georgia, for the short line distance of 187 miles is the same as the rate from Panama City, Florida, a short line distance of 294 miles.

On Exhibit 112, the rate from Pensacola, Florida, to Tampa is shown to be 30 cents per hundred pounds and on Exhibit 113 the rate from Albany, Georgia, to Tampa is shown to be 32 cents. The short line distance from Pensa- [fol. 846] cola is 456 miles, while from Albany, having a higher rate by two cents, the distance to Tampa is only 312 miles.

Mr. Maurer's Exhibits 119 through 122 show exceptions to the normal lumber rates which railroads have published for the purpose of meeting truck competition and in his testimony, he indicated that these exceptions show that the Southern Compromise lumber scale has become obsolete. I have kept particularly in close touch with lumber rates in the car lines all in the Southeast for the past 20 years and know there are relatively few exceptions to the use of the Southern Compromise scale as the basis for the present or going rates in the territory South of Virginia and Kentucky and East of Mississippi and Western Tennessee. The fact I think is indicated by a close examination of Mr. Maurer's exhibits 119 through 122. Take, for example, his exhibit 119 which shows truck competitive rates lower

than the normal rates from Georgia, Florida rates published in Agent Spaninger's Florida Southern Lumber Tariff 737-B, ICC 959. Of the 279 point to point rates shown, 253 are published or apply on cross ties only. Of the remaining 26 point to point rates, ten are practically duplicates, as rates are shown from the same ten origins to each of Jacksonville and South Jacksonville, which are two parts of the same community.

In exhibits 120 and 122, many rates are shown as normal rates which are not on the basis of Southern Compromise lumber scale. I do not question the correctness of the rates [fol. 847] shown as being the normal rates. But the fact is that the Southern Compromise lumber scale was not used as the basis for the normal lumber rates between the South and points in Virginia except Danville, Virginia, now between points in Kentucky nor in all instances between points in Tennessee and those in Kentucky.

On page 1 of exhibit 120, there is shown about the middle of the page, a truck competitive rate of 14 cents and a normal rate of 20 cents from Louisville, Kentucky, to Water Works, Kentucky. The distance between those points is less than 20 miles and the Southern Compromise lumber scale for distances of 20 miles and under is only 7 cents per 100 lbs. including 162 and 166 increases.

On page 3 of exhibit 120 at the sixth line there are shown rates from Elkhorn City, Tennessee, to Johnson City, Tennessee, of 16 cents truck competitive and 21 cents normal. The distance from Elkhorn City to Johnson City is 120 miles and under the Southern Compromise lumber scale, the rate for 120 miles is 16 cents.

In Exhibit 121 there have been several duplications noted in an incomplete check; Ellijay, Georgia, to Atlanta, Georgia, is shown for lumber on page 1 at line 21 and for cross ties on page 2 at line 46. From Atlanta Junction, Georgia, to Atlanta and Roseland, Georgia, and from Blueridge, Georgia, to Atlanta, Georgia, are shown on page 1 [fol. 848] at lines 17, 19 and 20 for lumber and again on page 3 at lines 9, 10 and 11 for lumber.

Mr. Maurer testified in connection with exhibit 121 that every important city in Georgia has truck competitive rates which are lower than the normal rates. In his exhibit instances of truck competitive rates are shown to Columbus,

Georgia, or Rome, Georgia, cities of approximately 60 thousand and 30 thousand population, respectively, nor to many cities of from 10,000 to 20,000 population, including Albany, La Grange, and Gainesville. There are only nine origins from which truck competitive rates are shown to Atlanta, or Doraville, or Roseland, Georgia, which are adjacent to Atlanta and in the same industrial district. Only two origins for which truck competitive rates are published to Macon, four from which they are published to Athens and one from which they are published to Augusta.

In Exhibit 122, the majority of the truck competitive rates shown on lumber are perhaps higher or the same as the Southern Compromise lumber scale. No normal rates to points in Virginia, other than Danville, are based on the use of the Southern Compromise lumber scale.

Usually the normal rates to Virginia points are higher than if made on that scale.

At line 5, on page 1, of Exhibit 122, the rates from Rich- [fol. 849] mond, Virginia, to Durham are cited, the truck competitive rate being 21 cents and the normal rate 24 cents. The short line distance is 157 miles and the Southern Compromise lumber scale rate for that distance is 19 cents. Not one of the normal rates shown on page 3, 4 and 5, nor those at lines 6 on page 2, nor those shown at line 1 through 17 or 39 through 52 on page 6, nor any on page 7 through 11 are on the Southern Compromise lumber scale.

Taking as an illustration from Weldon, North Carolina to Norfolk, Virginia, shown on line 43, page 5, the normal rate shown is 20 cents and the truck competitive rate is 14 cents. The short distance from Weldon to Norfolk is 80 miles and the Southern Compromise lumber scale for that distance is 12 and a half cents. The 14-cent truck competitive rate shown from line 7 on page 2 through line 14 on page 6 is the same as the Southern lumber scale rate for one hundred miles and the short line distances involved are in nearly, if not all, the instances less than one hundred miles.

All of page 7 through 11 and the last 14 lines of page 6 of Exhibit 122 are given to show truck competitive rates from various eastern North Carolina points of 16 cents per hundred pounds to Newport News, Virginia, and 20 cents per hundred pounds to Fort Monroe, Hampton and Phoe-

bus, Virginia. None of the normal rates shown to these destinations are as low as the Southern Compromise lumber scale and most of the truck competitive rates shown [fol. 850] are as high as or higher than the Southern Compromise lumber scale.

For example, Tarboro, North Carolina, shown on lines 10 through 13 on page 11, the short line distance to Newport News, Virginia, is 114 miles and to Fort Monroe, Virginia, is 124 miles. Hampton and Phoebus being intermediate between Newport News and Fort Monroe. Under Southern Compromise lumber scale for 114 miles the rate is 16 cents and for 124 miles it is also 16 cents, including the Ex Parte 162 and 166 increases. This is shown on page E-2, of my exhibit No. 12.

I recognized 16 origins listed on page 6 through 11, as being intermediate on the short line from Tarboro to these destinations. Some of the short line distance to Newport News as little as 60 miles for which the Southern Compromise scale rate is 11 and a half cents.

The compromise with the principal lumber manufacturers of the South, which resulted in that adoption of the so-called Southern Compromise lumber scale for the territory south of Virginia and Kentucky and east of Mississippi and the western portion of Tennessee, did not affect the rates to Virginia cities or the Ohio River crossings or points in Southern territory other than—excuse me, or points in Southern Virginia other than Danville, which is practically on the North Carolina line, nor to points in northern Kentucky. That was part of the agreement which resulted in the compromise. The pressure was afterwards brought [fol. 851] which did result in some reductions, though not to Southern Compromise lumber scale, to points in Georgia, East Tennessee and the Carolinas to the Virginia cities.

From line 15 on page 12 through line 27 on page 13 of Exhibit 122, there is shown truck competitive rates on cross ties. From South Carolina points to Wilmington and Nevassa, North Carolina. These rates were established because of creosoting plant at Wilmington and another one at Nevassa, just across the river from Wilmington. The South Carolina Public Service Commission had required the establishment of very low rates on cross ties, poles and piling from South Carolina points to Charleston, South

Carolina and Spartanburg, South Carolina, at which two points there are creosoting plants.

The creosoting plant at Wilmington is run by the same company that runs the plant at Spartanburg, South Carolina. In order to permit the ties to move from these South Carolina points in between Wilmington and Charleston, so as to go to Wilmington, in competition with Charleston or to Nevassa in competition with Charleston, we established the same scale of rates from these South Carolina points, to Wilmington and Nevassa, as had been required by the South Carolina Commission to Charleston.

On page 15 through 20 of the Exhibit 122, there is shown truck competitive rates from Eastern North Carolina to [fol. 852] Norfolk, Virginia, and points in Virginia intermediate to Norfolk. The rate shown here, like those on page 7 through 11 of this exhibit, are not the Southern Compromise lumber scale rates, so far as the normal rates are concerned and the so-called truck competitive rates are in most instances, if not all, higher than the Southern Compromise lumber scale rates.

That is all.

Q. Mr. Hinnant, as I recall it, Mr. Maurer made reference to some tariff which publishes rates on lumber and related articles applicable in connection with the water movement from South Atlantic ports. Do you remember that?

A. I remember that. The tariff he refers to is the one known as the port lumber tariff.

Q. What have you to say about rates in that?

A. So far as the interstate rates are concerned, they are applicable only on lumber and related articles moving to the South Atlantic ports or Tampa for export or for coastwise movement or for intercoastal movement. That is, for reshipment beyond the ports in barge or vessel.

The interstate rates shown in the port lumber tariff are,—I'd call them a hangover from rates we had in on lumber to the ports before the general revision of domestic lumber rates, which were made in 1940, and we just have not been able as yet to get around to link up the export, coastwise [fol. 853] and intercoastal rates on a basis which is comparable with the domestic adjustment on lumber to the ports.

Those rates are sometimes higher and sometimes lower than the domestic. Generally, they are lower.

Q. Is that all you have to say?

A. That is all.

Cross-examination:

By Mr. Maurer:

Q. Mr. Hinnant, in the port lumber tariff to which you referred, do you know whether or not there are published rates from practically all points in Florida to the ports on a lower basis than the rates fixed by the Florida Commission?

A. I believe that is the case and cancellation of those rates from the port lumber tariff was simply an oversight at the time we published the present domestic intrastate Florida rates.

Q. Haven't those rates been in effect for many, many years?

A. I said a while ago, the rates that are in that tariff are just a hangover of what was in effect before we attempted the Southern lumber revision.

Q. Isn't it a fact that by leaving these rates in effect, you did not take full advantage of the rates that the Florida Commission gave you in the Florida Commission lumber case?

A. I am afraid it is. When you called that fact to my attention two or three days ago, it was the first knowledge [fol. 854] that I had that the rates intrastate to the ports proper in Florida had not been cancelled.

Q. Somewhere on Exhibit 119 it shows cross ties to South Jacksonville, only I believe you said 110, 111, or 112. Rates on lumber to South Jacksonville. Isn't it a fact that if time could be taken to do so, that list could be expanded many numbers of times to include not only cross ties and lumber but everything in the lumber list?

A. You could do that from the Florida points to Jacksonville and Tampa. I haven't thoroughly checked the tariff. I think you are right. They are left in this intrastate. I said that is purely an oversight on the part of the publishing agent.

Q. Have you any idea of the size income Florida lines

could have secured had they taken advantage of the cancellation of these rates and operation of higher Florida scale?

A. No, I haven't attempted to figure that out. I have had no opportunity because, as I said, until I got here and you brought the matter to my attention, I didn't know they had been left in for intrastate.

Q. Judging from your knowledge of lumber to Florida and ports, do you think additional revenue you might secure would substantially reduce revenue loss? You claim in exhibits for the computations you made in the test period?

A. I don't think it would reduce it substantially. It would reduce it some.

[fol. 855] Q. The rates published to the ports also include the other Florida ports of Fernandina, Tampa, Port Tampa and other points in the vicinity of Tampa, do they not?

A. I haven't looked at that tariff for a long time. Generally speaking, the rates published at Jacksonville, on export lumber, outgoing lumber, are also published to Fernandina, on almost all traffic. The same rates that are published, either domestic or going out of the state, to Tampa are published likewise to Port Tampa.

Mr. Maurer: That is all I have, thank you.

By Mr. Hillyer:

Q. Isn't it a fact that you have—that there is a lot of traffic that is in Florida which moves through West Palm Beach in connection with car ferry to Cuba?

A. Did you say from or through Florida?

A. Both from and through.

A. I don't know of any that moves from Florida. There may be some moving from Florida through Port Everglades.

Q. To Cuba?

A. There is a right good movement through Florida to Port Everglades. For movement to Cuba.

Q. Now, what kind of water service is available through the Port of West Palm Beach?

A. I don't know that. I am not familiar with that.

Q. Isn't it a fact that there is quite a heavy movement of traffic by water through the Port of West Palm Beach?

[fol. 856] Mr. Gwathmey: From where?

Mr. Hillyer: Pretty near everywhere. Generally.

A. I really don't know. I don't know what that operation is from West Palm Beach.

Q. Isn't there a lot of import traffic moving in those ports, particularly West Palm Beach, coming from Cuba and the islands and moving by rail beyond?

A. I understand there is some movement there, but the Coast Line doesn't reach West Palm Beach and I am not too familiar with that.

Mr. Hillyer: That's all.

Exam. Mattingly: Any further questions?

(No response.)

Exam. Mattingly: Witness excused.

(Witness excused.)

Mr. Gwathmey: The railroads have nothing further in the 13 Section case.

I would like to call Mr. Parsons of the Florida East Coast merely for the purpose of having him confirm the testimony put in by Mr. Hicks with reference to the sugar cane movement. May I do that now?

Exam. Mattingly: All right.

R. K. Parsons was sworn and testified as follows:

[fol. 857] Direct examination.

By Mr. Gwathmey:

Q. Your name is R. K. Parsons?

A. Yes, sir.

Q. You are connected with the Florida East Coast Railway, are you not?

A. Yes.

Q. In what capacity?

A. General Freight Agent of the railroad.

Q. Are you familiar with the rates on sugar cane, moving to the United States Sugar Corporation, at Clewiston?

A. Yes, sir.

Q. From points on your line?

A. Yes.

Q. Are you familiar with the testimony which Mr. Hicks has put in with reference to the rates on cane?

A. Yes, sir.

Q. Do you desire merely to adopt and concur in what Mr. Hicks has said?

A. Yes, sir, I do.

Mr. Gwathmey: That is all.

Mr. Hillyer: No questions.

Commr. Patterson: You are excused.

(Witness excused.)

Mr. Gwathmey: That is all, Mr. Commissioner, for the railroads.

[fol. 858] Mr. Hillyer: We have just a few points on rebuttal. I would like to recall Mr. Young.

PAUL L. YOUNG was recalled to the stand and testified further as follows:

Direct examination.

By Mr. Hillyer:

Q. Mr. Young, did you hear the testimony of the Florida East Coast operating witness a few minutes ago when he said there was one hour additional given over and above the eight hours?

A. Yes, sir.

Q. What do you understand to be the facts?

A. The extra hour arbitrary only applies to the engineer and the conductor. The balance of the train crew does not get paid for that hour and my understanding that the cars that were furnished for the Florida East Coast, $66.85 includes that hour arbitrary paid to the two men.

By Comm. Patterson:

Q. What is the purpose of that arbitrary hour, do you know?

A. No, I don't.

Q. I was curious to know under what circumstances they separated the pay of a crew. For instance, a train crew, as distinguished from the engine crew. If one member of a train crew gets no pay so far as arbitrary is concerned?

A. That is my understanding.

Q. So far as the engine crew is concerned, the engineer [fol. 859] gets paid for one hour more?

A. In some cases, in preparing of engines and things like that, he does.

By Mr. Hillyer:

Q. On your Exhibit 156, page 3, in the first figure, $66.85, would his testimony cause you to change that figure?

A. No, sir.

Q. It would still be the same?

A. It would still remain the same.

Q. Now, another witness early in the proceeding, I think, questioned the amount of labor on one of these sheets of Exhibit 156 and there was discussion about that and whether it would increase, and to what extent, your total results. Have you recomputed those figures on the basis of the objection that was made to your accounts there?

A. Yes, sir, that was in the maintenance of way where the labor used in maintenance was, I believe, during the discussion was computed about 25 percent greater than what is shown on my study and since that time I have looked at the annual report for the Atlantic Coast Line and computed from the total hours of straight time and the compensation paid and I find that the average wages paid per hour was only 14 percent higher than the figure what I used in arriving at mine. And using this figure which was 14 percent higher, the increase in labor only amounted to approxi- [fol. 860] mately $6,000, and bringing that all the way through, increasing the payroll taxes and carrying it through the other computation, it changes the total maintenance of way and structures approximately $7,000 and would be carried over to the summary.

Q. And is the figure of $96,000 at the bottom of page 1 of Exhibit 156—would that go up by about $7,000?

A. It would change the total to a little over $103,000.

Q. Do you have it worked out more accurately?

A. $103,170.76.

Q. Now, if that was carried through, would it change any other figures on page two?

A. No, sir.

Q. Page 3?

A. It wouldn't change any figures on page three, but I have made a change in page three from the cross-examination that Mr. Gwathmey brought out that I had 60 cents per train mile as my estimated fuel for locomotive fuel and since that time I went back and checked the Annual Report again and find that what he was trying to develop there, that 75 cents per ton was the correct cost and I recalculated that figure and it increased by fuel cost there by $5,098.20.

Q. $5,098.20?

A. Yes, sir.

Q. And that would be added to your total cost of train operation on that sheet?

[fol. 861] A. Yes, sir.

Q. Have you any other recalculations as to station services?

A. No, sir.

Q. Or locomotive depreciation?

A. No, sir.

Q. What will the total in the summary on page 4 add up to if these changes are made?

A. $277,144.51.

Q. How would that change your operating ratio?

A. It would change my operating ratio from 63.6 to 69.1 and then the ratio that is usually used in making your operating comparisons which is computed by leaving out your payroll taxes, that then would produce a ratio on that basis of 67.4.

Q. Which do you think would be more accurate, your original calculations, or those which you have just indicated?

A. I think the ones that I have just indicated would be closer as an approximation of the cost, although they are known to be somewhat overstated, generally. Although the transportation expense has not included the cost of dis-

patching trains and that particular expense would be rather difficult to compute and charge out to this item here. But even allowing for that, it would take at least—well, it would take $4,000 to change the operating ratio even one point. So that the inclusion or exclusion of that would change it very [fol. 862] little.

Q. And you had no method of apportioning the dispatching time between the sugar cane and the balance of the traffic? It that right?

A. That is right.

Q. Mr. Young, when you undertook this study, was any direction given you as to any end result to be achieved?

A. No, sir, I wouldn't take it under any circumstances like that. They showed me what they had done and I told them I didn't like that, it didn't follow the theory of cost finding that is used on the railroad.

Q. Referring to Mr. Patterson?

A. So that they left it to me to devise a formula and method of making computations and furnished me figures from books and records that were available to the sugar company.

Mr. Hillyer: That's all.

Cross-examination.

By Mr. Gwathmey:

Q. You knew what you were trying to prove?

A. I knew what they wanted me to prove. Wait a minute. Let me put it differently. I know what they hoped I would prove.

Q. As I recall, you say you live in Houston, Texas?

A. Yes, sir.

Q. How many times have you been to Clewiston, Florida?

A. Just one time.

Q. One time?

[fol. 863] A. Yes, sir.

Q. When was that?

A. Last week.

Q. You were there last week?

A. Yes, sir.

Q. How long did you remain?

A. Three days.

Q. And your entire knowledge of the operation down there of the railroads, as well as the sugar company, is based upon your observations you made during the three-day stay there and upon the information you got from the representatives of the sugar company? It that right?

A. Yes, sir.

Q. Was the cane mill operating while you were there?

A. No, sir.

Q. When did you say you were there? About a week ago?

A. Yes, sir.

Redirect examination.

By Mr. Hillyer:

Q. Have you been engaged in that continuously, day and night ever since your arrival there for the preparation of this study?

A. Oh, yes, I have been working on it ever since I started last week in Clewiston, all the time we have been here, too, has been devoted to this study.

Q. Before you went to Clewiston, did you have made [fol. 864] available to you Mr. Patterson's studies and the record in the other case?

A. Yes, sir, it was sent to me in Houston and I studied that prior to the time I came to make the actual survey.

Q. That was some time ago?

A. Yes, sir.

Mr. Hillyer: That is all.

Comm. Patterson: You are excused.

(Witness excused.)

Mr. Hillyer: I have just a little bit on the I&S case I would like to put on.

Mr. Petteway: I wonder if we can't finish the 13 section case?

Comm. Patterson: Yes, we will finish the 13 section case first.

Mr. Gwathmey: I'd like to ask Mr. Hamilton one question about a statement Mr. Young just made on the witness stand. May I?

Comm. Patterson: All right, you may proceed.

I. E. Hamilton was recalled to the stand and testified further as follows:

Direct examination.

By Mr. Gwathmey:

Q. Did you hear the statement just made by Mr. Young?

A. You mean in regard to the arbitrary fee paid our crew [fol. 865] at Lake Harbor?

Q. Yes.

A. I was testifying from my knowledge of the various working agreements and thought perhaps I had made a mistake. I contacted the Assistant Superintendent of our railroad at New Smyrna Beach and he confirmed that. All members of the crew receive it. The engineers, firemen, conductors and trainmen.

Mr. Gwathmey: That's all.

Mr. Hillyer: That's all.

Mr. Hillyer: May we have the privilege of having Mr. Young make any recalculation on that basis or on submitting it, or can you do it now?

Comm. Patterson: He can furnish that for the record.

Paul L. Young was recalled to the stand and testified further as follows:

Direct examination.

By Mr. Hillyer:

Q. Do you have that calculation?

A. I made the calculation, but I have erased it. It amounts to about $3,000, which wouldn't change the final result one point either way. $3,000 odd dollars would run the ratio up to 70 percent.

Q. That would run your total expenses on sheet four up to about $280,000, roughly?

A. Yes.

Mr. Hillyer: That's all.

[fol. 866] Comm. Patterson: You are excused.

Mr. Petteway: Is that all the testimony in the 13 section case?

Mr. Gwathmey: It is all we have.

Mr. Hillyer: It is all we have. Off the record.

Comm. Patterson: Off the record.

(Discussion off the record.)

Comm. Patterson: On the record. If that is all the evidence, the case is closed.

MOTION OF FLORIDA RAILROAD AND PUBLIC UTILITIES COMMISSION TO DISMISS PETITION

Mr. Petteway: Before you close the case, I have a motion I'd like to put into the record:

Comes now the Florida Railroad and Public Utilities Commission of the State of Florida, and Richard W. Irwin, as Attorney General of the State of Florida, and moves the dismissal of the petition herein and the discontinuance of this proceeding on the following grounds:

1. There is no evidence in the record herein from which the Commission can find a value of the railroad property used for the convenience of the public in respondents' local or intrastate business in Florida.

2. There is no evidence in the record herein from which the Commission can find the amount of revenue required by respondents to meet their maintenance and operating costs and yield a fair return on the value of their property dedicated to the transportation service, both interstate and [fol. 867] intrastate.

3. The evidence herein is insufficient to support a finding that Florida intrastate traffic is not contributing its fair and proportionate share of the revenue required to enable respondents to render adequate and efficient transportation service.

4. The evidence fails to show the rates complained of are abnormally low or less than reasonably compensatory or insufficient to cover full cost of service.

5. It affirmatively appears respondents previously were earning in excess of fair return on freight operations and further increases in their respective freight rates and charges are unnecessary and unwarranted.

6. The record herein contains no reliable basis to ascertain or even approximate the revenue results to respondents under the present intrastate rates in Florida, nor what the results might be under the proposed rates.

7. There is no basis in the record herein for a finding that the present interstate rates are reasonable.

8. There is no evidence in the record herein that the rates complained of have resulted in the loss of any business by interstate shippers.

9. It affirmatively appears from the record herein that the respondents' formal distress, if any, is caused by enormous deficits in their passenger operations which they un- [fol. 868] lawfully seek to impose upon the shippers and receivers of freight.

10. There is no evidence in the record herein from which the Commission can find the amount of revenue which reasonably can be expected under the proposed increased rates or that the alteration of the intrastate rates as requested would produce additional income necessary to prevent an undue burden upon respondents' interstate revenues and to maintain an adequate transportation service.

11. It does not appear from the evidence of the record herein that the rates and charges of respondents for the intrastate transportation of property made or imposed by authority of the State of Florida cause any undue or unreasonable advantage, preference or prejudice as between persons or localities in intrastate commerce on the one hand and interstate commerce on the other hand.

12. It does not appear from the evidence herein that said rates cause any undue, unreasonable, or unjust discrimination against interstate or foreign commerce.

13. There is no evidence in the record herein from which the Commission can find the amount of revenue required from Florida intrastate freight operations in order that said intrastate freight operations may contribute their fair, just and proportionate share of the revenue requirements of the respondents.

[fol. 869] 14. It affirmatively appears that the respondents have failed to meet the burden of proof imposed upon them in a proceeding under Section 13, subparagraph 4, and Section 15-A of the Interstate Commerce Act as amended.

I am authorized by Mr. M. W. Wells, that he joins in the motion on behalf of the Florida Growers and Shippers League and the Florida Citrus Commission for whom he has appeared in this proceeding.

Mr. Hillyer: May I join in that motion as an intervenor on behalf of the State of Florida, on behalf of the East Coast Pulp and Paper Mills, the Florida Lumber and Millwork Association, the Jacksonville Traffic Bureau and the Fertilizer Manufacturers of Jacksonville, and the United States Sugar Corporation.

It is my understanding under the rules that a formal petition of intervention is not necessary in a proceeding of this kind.

Commr. Patterson: You can intervene in support of the motion.

Mr. Hillyer: And shall I file a petition of intervention in support of that motion?

Commr. Patterson: No, sir.

Mr. Maurer: May I join in the motion on behalf of the parties for whom I presented appearances.

Mr. Overton: I wish to join in the motion on behalf of the [fol. 870] parties for whom my appearance is — record.

Mr. Balkcom: I desire to join in the motion on the part of the Tampa Traffic Association for whom I have appeared here.

Mr. Petteway: I would like to make a motion that a proposed report be filed.

Comm. Patterson: Let's dispose of your first motion first. It is quite an involved motion. It will be taken under consideration and dealt with in the report.

Mr. Petteway: Thank you.

Commr. Patterson: You- motion that is already made. Now your next motion?

Mr. Petteway: I want to make a motion that a proposed report be filed in this proceeding.

Comm. Patterson: Any objection to a proposed report being filed?

Mr. Gwathmey: No, sir.

Comm. Patterson: All right, there will be an appropriate report.

Now, we will deal with briefs. How long do the parties want to file briefs?

Mr. Petteway: Do you suppose we could have any idea as to when we could get a copy of the record?

Comm. Patterson: I will leave that to the reporting company. Off the record.

[fols. 871-872] (Discussion off the record.)

Comm. Patterson: On the record.

Mr. Hillyer: This record has been taken under very trying conditions and the acoustics in here have been terrible and there have been a number of witnesses who have testified facts and figures and technical rates and mileages which are difficult for the reporters to get. We have had those experience in the past. One time it took us six months to get the record straight.

After the record is received, I would like the opportunity to check it very carefully and I would be surprised if there were not many many corrections, in spite of the ability of any stenographer who might have been here.

Exam. Mattingly: Who wantes to suggest a date?

Comm. Patterson: Off the record.

(Discussion off the record.)

Comm. Patterson: On the record. Under the circumstances, we will make the brief dates September 15 and all briefs are due September 15.

Is there anything further to come before this hearing? If not, the hearing is closed.

(At 12:15 o'clock p.m., July 2, 1949, hearing in the above-entitled case was closed.)

[fol. 873]

Schedule No. 1

BEFORE THE INTERSTATE COMMERCE COMMISSION

RESPONDENT'S EXHIBIT NO. 1

Atlantic Coast Line Railroad Company
(Includes Atlanta, Birmingham & Coast)

Net Railway Operating Income and Rate of Return on Property Investment

Year	Investment in Railway Property Used in Transportation Service, including Cash and Material and Supplies		Net Railway Operating Income							
	Total	Less Depreciation	Total Operating Revenues	Total Operating Expenses	Operating Ratio	Taxes	Amount	Percent of Revenues	Rate of Return on Total Investmt.	Rate of Ret. on Total Investment Less Depreciation
1936	$298,233,538	$263,802,537	$47,015,519	$36,815,547	78.31	$4,684,889	$4,401,089	9.36	1.48	1.67
1937	297,551,878	263,409,980	51,625,628	40,138,551	77.75	5,087,852	4,826,199	9.35	1.62	1.83
1938	301,173,586	265,747,854	47,539,967	38,529,424	81.06	4,894,434	2,198,482	4.63	0.73	0.83
1939	297,292,807	263,693,401	50,545,028	39,696,803	78.54	4,663,986	3,656,361	7.23	1.23	1.39
1940	300,901,493	266,875,891	53,543,345	42,717,118	79.78	4,826,312	3,531,275	6.60	1.17	1.32
Average Year 1936-1940	299,030,660	264,705,932	50,052,097	39,579,489	79.08	4,831,495	3,722,681	7.44	1.24	1.41
1941	312,818,707	277,828,155	72,066,750	50,515,655	70.10	8,054,020	11,294,744	15.67	3.61	4.07
1942	332,441,047	294,203,180	121,143,909	67,685,401	55.87	28,495,326	21,501,178	17.75	6.47	7.31
1943	352,162,842	308,143,169	160,812,311	87,094,633	54.16	52,217,353	16,219,839	10.09	4.61	5.26
1944	355,909,149	303,353,876	163,819,529	100,145,542	61.13	44,778,785	14,040,520	8.57	3.94	4.63
1945	366,211,374	287,556,479	146,661,332	130,274,575	88.83	6,809,519	5,492,999	3.75	1.50	1.91
Average Year 1941-1945	343,908,618	294,216,972	132,900,766	87,143,161	65.57	28,071,000	13,709,856	10.32	3.99	4.66
1946	392,688,225	309,905,646	126,103,162	113,728,023	99.19	4,400,000	5,016,954	3.98	1.28	1.62
1947	398,497,427	342,897,795	128,429,923	112,461,791	87.57	10,450,000	3,049,642	2.37	0.77	0.97
1948	410,300,597	321,156,736	136,336,690	118,287,514	86.76	10,300,000	5,126,754	3.75	1.25	1.60

Source: Reports to Interstate Commerce Commission and Records of the Company.

[fol. 874]

Schedule No. 2

Seaboard Air Line Railroad Company
(See Note)

Investment in Railway Transportation Property and Rate of Return for Years 1936 to 1948, Inclusive

Year	Investment in Railway Property Used in Transportation Service, including Cash and Material and Supplies		Net Railway Operating Income							
	Total	Less Depreciation	Total Operating Revenues	Total Operating Expenses	Operating Ratio	Taxes	Amount	Percent of Revenues	Rate of Return on Total Investmt.	Rate of Ret. on Total Investment Less Depreciation
1936	$306,337,692	$284,123,626	$38,346,055	$31,820,609	82.98	$2,540,332	$2,920,583	7.62	.95	1.03
1937	310,155,548	286,268,095	42,790,878	34,737,510	81.18	2,551,930	4,348,988	10.16	1.40	1.52
1938	312,883,141	287,298,108	40,009,744	34,183,527	85.44	3,311,956	1,449,487	3.62	.46	.50
1939	317,507,380	290,011,919	44,163,420	36,493,168	82.63	2,848,110	3,594,371	8.14	1.13	1.24
1940	323,873,496	294,338,757	48,490,966	39,270,764	80.99	3,476,947	4,404,333	9.08	1.36	1.50
Average Year 1936–1940	314,151,451	288,408,101	42,760,213	35,301,116	82.56	2,945,855	3,343,552	7.82	1.06	1.16
1941	333,730,536	302,165,350	64,608,903	48,800,722	75.53	3,862,311	10,106,964	15.64	3.03	3.34
1942	346,972,415	310,973,594	110,242,375	67,010,358	60.78	5,157,733	33,945,971	30.79	9.78	10.92
1943	358,612,709	318,561,328	137,257,803	80,823,710	58.88	22,186,791	28,704,006	20.91	8.00	9.01
1944	379,815,161	334,075,311	141,188,977	88,939,443	62.99	24,797,395	22,300,395	15.79	5.87	6.68
1945	380,540,406	315,873,254	130,210,498	111,303,778	85.48	3,208,296	11,125,533	8.54	2.92	3.52
Average Year 1941–1945	359,934,245	316,329,767	116,701,711	79,375,602	68.02	11,842,505	21,236,574	18.20	5.90	6.71
1946–Jan.-July	388,048,480	321,506,860	67,749,707	55,505,365	81.93	1,163,609Cr.	10,804,022	15.95	4.77(a)	5.76(a)
1946–Aug.-Dec.	318,413,993	236,851,054	44,653,686	37,202,144	83.31	2,651,686	3,244,741	7.27	2.45(a)	3.29(a)
1946–Year	359,034,110Avg.	286,233,607Avg.	112,403,393	92,707,509	82.48	1,488,077	14,048,763	12.50	3.91	4.91
1947	336,515,504	252,629,551	119,140,955	96,767,098	81.22	9,988,044	8,789,771	7.38	2.61	3.48
1948	360,650,038	273,617,925	132,695,409	104,324,127	78.62	12,527,153	13,187,842	9.94	3.66	4.82

Note: Seaboard Air Line Railroad Company commenced operation August 1, 1946. This statement includes results of Seaboard Air Line Railway Company and its Receivers referable to years 1936 to 1945 and seven months of 1946 and for the New Company for period August 1, 1946 to December 31, 1948, inclusive.

(a) On annual basis.

Source: Reports to Interstate Commerce Commission and Records of the Company.

[fol. 875]

Schedule No. 3

Florida East Coast Railway Company
(Scott M. Loftin and John W. Martin, Trustees)

Net Railway Operating Income and Rate of Return on Property Investment

Year	Investment in Railway Property Used in Transportation Service, including Cash and Material and Supplies		Total Operating Revenues	Total Operating Expenses	Operating Ratio	Taxes	Net Railway Operating Income			
	Total	Less Depreciation					Amount	Percent of Revenues	Rate of Return on Total Investmt.	Rate of Ret. on Total Investment Less Depreciation
1936	$114,522,059	$105,171,961	$8,614,508	$6,515,854	75.64	$770,305	$877,796	10.19	0.77	0.83
1937	84,545,981	77,783,916	9,303,206	7,123,303	76.57	901,160	741,578	7.97	0.88	0.95
1938	84,519,791	77,292,658	9,594,391	7,002,599	72.99	916,199	1,029,492	10.73	1.22	1.33
1939	85,330,932	77,792,335	9,261,367	7,133,545	77.02	781,483	743,699	8.03	0.87	0.96
1940	85,630,260	77,699,621	10,748,838	8,341,683	77.60	810,657	985,219	9.17	1.15	1.27
Average Year 1936–1940	90,909,805	83,148,098	9,504,462	7,223,397	76.00	835,961	875,557	9.21	0.96	1.05
1941	85,736,594	78,085,492	11,499,121	8,653,013	75.25	719,097	1,580,527	13.74	1.84	2.02
1942	89,378,528	81,350,289	20,838,086	11,481,207	55.10	985,376	7,873,959	37.79	8.81	9.68
1943	100,529,928	91,694,429	32,559,085	16,604,873	51.00	4,493,558	10,173,479	31.25	10.12	11.09
1944	107,141,148	97,421,980	31,730,202	19,055,811	60.06	5,666,886	5,951,599	18.76	5.55	6.11
1945	113,550,099	102,267,351	29,571,007	20,574,937	69.58	3,597,553	4,401,728	14.89	3.88	4.30
Average Year 1941–1945	99,267,259	90,163,908	25,239,500	15,273,968	60.52	3,092,494	5,996,258	23.76	6.04	6.65
1946	110,823,573	98,579,794	26,543,488	20,721,821	78.07	335,577	4,291,437	16.17	3.87	4.35
1947	110,153,301	97,349,387	27,054,334	23,683,284	87.54	551,153	1,544,281	5.71	1.40	1.59
1948	110,526,899	97,610,284	28,653,199	23,897,809	83.40	1,743,698	1,855,052	6.47	1.68	1.90

Source: Annual reports on file with the Interstate Commerce Commission.

[fol. 876]

Schedule No. 4

Atlantic Coast Line Railroad Company
Seaboard Air Line Railroad Company
Florida East Coast Railway Company
(Scott M. Loftin and John W. Martin, Trustees)

Net Railway Operating Income and Rate of Return on Property Investment

Year	Investment in Railway Property Used in Transportation Service, Including Cash and Material and Supplies		Total Operating Revenues	Total Operating Expenses	Operating Ratio	Taxes	Net Railway Operating Income			
	Total	Less Depreciation					Amount	Percent of Revenues	Rate of Return on Total Investmt.	Rate of Ret. on Total Investment Less Depreciation
1936	$719,093,289	$653,098,124	$93,976,082	$75,152,010	79.97	$7,995,526	$8,198,468	8.72	1.14	1.26
1937	692,253,407	627,461,991	103,719,712	81,999,364	79.06	8,540,942	9,916,765	9.56	1.43	1.58
1938	698,576,518	630,338,620	97,135,102	79,715,550	82.07	9,122,589	4,677,461	4.82	0.67	0.74
1939	700,131,119	631,497,655	103,969,815	83,323,516	80.14	8,293,579	7,994,431	7.69	1.14	1.27
1940	710,405,249	638,914,269	112,783,149	90,329,565	80.09	9,113,916	8,920,827	7.91	1.26	1.40
Average Year 1936–1940	704,091,916	636,262,131	102,316,772	82,104,001	80.24	8,613,310	7,941,590	7.76	1.13	1.25
1941	732,285,837	658,078,997	148,174,774	107,969,390	72.87	12,635,428	22,982,235	15.51	3.14	3.49
1942	768,791,990	686,527,063	252,224,370	146,176,966	57.96	34,638,435	63,321,108	25.11	8.24	9.22
1943	811,305,449	718,398,926	330,629,199	184,523,216	55.81	78,897,792	55,907,324	16.66	6.79	7.67
1944	842,865,458	734,851,167	336,738,708	208,140,796	61.81	75,243,066	42,292,514	12.56	5.02	5.76
1945	860,301,879	705,697,084	306,442,837	262,153,290	85.55	13,615,368	21,020,260	6.86	2.44	2.98
Average Year 1941–1945	803,110,122	700,710,647	274,841,977	181,792,732	66.14	43,006,000	40,942,688	14.90	5.10	5.84
1946	862,545,908	694,719,047	265,052,043	227,157,353	85.70	6,223,654	23,357,154	8.81	2.71	3.37
1947	845,166,232	662,876,733	274,625,212	232,912,173	84.81	20,989,197	13,383,694	4.87	1.58	2.02
1948	881,477,534	692,384,945	297,685,298	246,509,450	82.81	24,570,851	20,169,648	6.78	2.29	2.91

Source: Consolidation of the three roads' individual statements.

[fol. 877]

Schedule No. 5

Louisville and Nashville Railroad Company

Net Railway Operating Income and Rate of Return on Property Investment

Year	Investment in Railway Property Used in Transportation Service, Including Cash and Material and Supplies		Total Operating Revenues	Total Operating Expenses	Operating Ratio	Net Railway Operating Income				
	Total	Less Depreciation				Taxes	Amount	Percent of Revenues	Rate of Return on Total Investmt.	Rate of Ret. on Total Investment Less Depreciation
1936	$476,293,676	$395,340,420	$91,040,152	$65,648,761	72.11	$6,626,087	$19,257,364	21.15	4.04	4.87
1937	478,597,755	394,827,587	90,194,993	68,104,747	75.51	7,716,721	15,551,121	17.24	3.25	3.94
1938	480,928,556	392,334,738	79,394,560	61,008,799	76.84	7,114,734	11,622,971	14.64	2.42	2.96
1939	495,124,299	403,544,797	88,348,256	64,989,535	73.56	8,135,700	15,848,660	17.94	3.20	3.93
1940	486,106,300	396,005,402	98,001,627	72,057,365	73.53	10,304,935	17,187,993	17.54	3.54	4.35
Average Year 1936–1940	483,410,117	396,210,589	89,395,918	66,361,841	74.23	6,979,635	15,893,622	17.78	3.29	4.01
1941	509,325,081	414,275,470	119,569,572	78,076,815	65.30	18,212,127	25,548,223	21.37	5.02	6.17
1942	519,462,411	416,869,742	168,824,550	99,028,658	58.66	48,370,589	23,732,085	14.06	4.57	5.69
1943	536,225,828	422,997,709	208,799,302	118,152,434	56.59	67,952,136	25,513,401	12.22	4.76	6.03
1944	539,271,529	414,863,322	214,779,541	131,882,614	61.40	63,670,261	22,637,129	19.53	4.20	5.46
1945	550,768,242	405,529,713	196,541,491	146,481,016	74.53	31,609,214	22,701,472	11.55	4.12	5.60
Average Year 1941–1945	531,010,618	414,907,191	181,702,891	114,724,307	63.14	45,962,865	24,026,462	13.22	4.52	5.79
1946	553,832,737	402,330,227	169,666,274	140,483,174	82.80	18,718,595	15,595,486	9.19	2.82	3.88
1947	571,985,399	415,510,532	189,697,168	156,337,231	82.41	24,109,728	16,280,657	8.58	2.85	3.92
1948	602,114,094	439,753,695	207,271,683	169,453,493	81.75	25,366,064	21,175,636	10.22	3.52	4.82

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MATTHEW BENDER & COMPANY
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[fol. 880] Schedule No. 8

Atlantic Coast Line Railroad Company

Statement Showing Effect on Florida Operating Ratio of Eliminating Increases Granted by Interstate Commerce Commission on Interstate Traffic, Years 1947 and 1948

Item and Explanation	Calendar Year 1947	1948
1. Account 101, "Freight,"—Interstate—Florida	$15,688,400	$17,538,280
2. Effect of increases allowed by I.C.C., included above	2,612,119	5,220,339
3. Total Florida Operating Revenues	28,686,349	30,188,641
4. Item 3 restated (Deduct Item 2)	26,074,230	24,968,302
5. Total Florida operating expenses	24,592,531	25,409,384
6. Florida operating ratio (Item 5 ÷ Item 3)	85.73	84.17
7. Restated Florida operating ratio (Item 5 ÷ Item 4)	94.32	101.77

[fol. 881] Schedule No. 9

Seaboard Air Line Railroad Company
State of Florida

Statement Showing Effect on Florida Operating Ratio of Eliminating Increases Granted by Interstate Commerce Commission on Interstate Traffic, Years 1947 and 1948

Item and Explanation	Calendar Year 1947	1948
1. Account 101, "Freight"—Interstate	$21,412,539	$24,517,991
2. Effect of increases allowed by I.C.C.—included above	3,637,283	7,314,200
3. Total Florida operating revenues	36,292,608	40,356,048
4. Item 3 restated (Item 3 − Item 2)	32,655,325	33,041,848
5. Total Florida operating expenses	29,477,097	31,727,575
6. Florida operating ratio (Item 5 ÷ Item 3)	81.22	78.62
7. Restated Florida operating ratio (Item 5 ÷ Item 4)	90.27	96.02

[fol. 882] Schedule No. 10

Florida East Coast Railway Company
Scott M. Loftin and John W. Martin, Trustees

Statement Showing Effect on Florida Operating Ratio of Eliminating Increases Granted by Interstate Commerce Commission on Interstate Traffic, Years 1947 and 1948

Item and Explanation	Calendar Year 1947	1948
1. Account 101, "Freight"—Interstate—Florida	$13,836,213	$15,698,843
2. Effect of increases allowed by I.C.C.—included above	2,441,549	4,184,726
3. Total Florida operating revenues	27,054,334	28,653,199
4. Item 3 restated (Deduct Item 2)	24,612,785	24,468,473
5. Total Florida operating expense	23,683,284	23,897,809
6. Florida operating ratio (Item 5 ÷ Item 3)	87.5	83.4
7. Restated Florida oper. ratio (Item 5 ÷ Item 4)	96.2	97.7

[fol. 883] Schedule No. 11

Atlantic Coast Line Railroad Company
Seaboard Air Line Railroad Company
Florida East Coast Railway Company

(Scott M. Loftin and John W. Martin, Trustees)

Statement Showing Effect on Florida Operating Ratio of Eliminating Increases Granted by Interstate Commerce Commission on Interstate Traffic, Years 1947 and 1948

Item and Explanation	Calendar Year 1947	1948
1. Account 101, "Freight"—Interstate—Florida	$50,937,152	$57,755,114
2. Effect of increases allowed by I.C.C.—included above	8,690,951	16,719,265
3. Total Florida Operating Revenues	92,033,291	99,197,888
4. Item 3 restated (Deduct Item 2)	83,342,340	82,478,623
5. Total Florida Operating Expenses	77,752,912	81,034,768
6. Florida operating ratio (Item 5 ÷ Item 3)	84.48	81.69
7. Restated Florida operating ratio (Item 5 ÷ Item 4)	93.29	98.25

[fol. 884] Schedule No. 12

Louisville and Nashville Railroad Company

Statement Showing Effect on Florida Operating Ratio of Eliminating Increases Granted by Interstate Commerce Commission on Interstate Traffic, Years 1947 and 1948

Item and Explanation	Calendar Year 1947	1948
1. Account 101, "Freight"—Interstate—Florida	$1,805,176	$1,802,687
2. Effect of increases allowed by I.C.C.—included above	221,717	441,112
3. Total Florida operating revenues	3,479,336	3,284,682
4. Item 3 restated (Deduct Item 2)	3,257,619	2,843,570
5. Total Florida operating expense	4,179,304	4,324,063
6. Florida operating ratio (Item 5 ÷ Item 3)	120.12	131.64
7. Restated Florida operating ratio (Item 5 ÷ Item 4)	128.29	152.06

[fol. 885] Schedule No. 13

Georgia Southern and Florida Railway Company

Statement Showing Effect on Florida Operating Ratio of Eliminating Increases Granted by Interstate Commerce Commission on Interstate Traffic, Years 1947 and 1948

Item No.	Calendar Year 1947	1948
1. Interstate Freight Revenue A/c 101	$ 759,415	$1,020,695
2. Effect of increases allowed by I.C.C. under Ex Parte 162 and 166 included in above	56,868	257,011
3. Total Railway Operating Revenues	1,056,693	1,309,123
4. Total Railway Operating Revenues restated to exclude interstate increases on Freight Revenue A/c 101 (3−2)	999,825	1,052,112
5. Total Railway Operating Expenses	989,807	1,207,482
6. Operating Ratio (5 ÷ 3)	93.67	92.24
7. Restated Operating Ratio (5 ÷ 4)	99.00	114.77

Source: Company Records.

[fol. 886] Schedule No. 14

St. Louis-San Francisco Railway Company

Statement Showing Effect on Florida Operating Ratio of Eliminating Increases Granted by Interstate Commerce Commission on Interstate Traffic, Years 1947 and 1948

Item and Explanation	Calendar Year 1947	1948
1. Account 101	$ 785,316	$ 397,313
2. Effect of increases allowed by I.C.C.—included above	129,000	117,401
3. Total Florida operating revenues	1,067,208	580,886
4. Item 3 restated (Deduct Item 2)	938,208	463,485
5. Total Florida Operating expenses	848,142	461,198
6. Florida Operating ratio (Item 5 ÷ Item 3)	79.47	79.40
7. Restated Florida Operating ratio (Item 5 ÷ Item 4)	90.40	99.51

[fol. 887]

Schedule No. 15

Atlantic Coast Line Railroad Company

Statement Showing Effect on a System Basis on Net Railway Operating Income and Net Income, of Eliminating All Increases in Freight Rates Granted by the Interstate Commerce Commission and the Several State Commissions—Years 1947 and 1948

	Calendar Year		Calendar Year	
	1947	1948	1947	1948
	(Per Books of Account)		(Restated)*	
Operating Revenues:				
Freight	$ 95,987,384	$106,370,606	$ 80,606,611	$ 75,444,316
Passenger	21,990,538	19,971,667	21,990,538	19,971,667
Mail	2,740,983	2,864,940	2,740,983	2,864,940
Express	3,080,076	2,754,213	3,080,076	2,754,213
All Other	4,630,942	4,375,264	4,630,942	4,375,264
Total	128,429,923	136,336,690	113,049,150	105,410,400
Operating expenses	112,461,791	118,287,514	112,461,791	118,287,514
Operating ratio	87.57	86.76	99.48	112.22
Railway tax accruals	10,450,000	10,300,000	9,538,938	7,355,775
Equipment rents—Net Debit	2,442,784	2,808,387	2,442,784	2,808,387
Joint facility rents	25,706 Dr.	185,965 Cr.	25,706 Dr.	185,965 Cr.
Net railway operating income	3,049,642	5,126,754	11,420,069 D	22,855,311 D
Net income	6,003,954	7,684,913	8,465,757 D	20,297,152 D

* Restated to exclude from Account, "Freight," *only*, the effect of rate increases granted by I.C.C. on interstate traffic under Ex Parte 162 and 166, effective in 1947 and 1948, and also the effect of increases granted by the several State Commissions on intrastate traffic effective during the same years. Railway tax accruals have been decreased to recognize lower Federal income taxes under the assumed circumstances.

D—Denotes deficit.

[fol. 888]

Schedule No. 16

Seaboard Air Line Railroad Company
System

Statement Showing Effect on a System Basis on Net Railway Operating Income and Net Income, of Eliminating All Increases in Freight Rates Granted by the Interstate Commerce Commission and the Several State Commissions—Years 1947 and 1948

	Calendar Year		Calendar Year	
	1947	1948	1947	1948
	(Per Books of Account)		(Restated)*	
Operating Revenues:				
Freight	$ 94,387,552	$107,025,798	$ 78,822,504	$ 75,567,460
Passenger	15,621,362	16,094,517	15,621,362	16,094,517
Mail	2,306,815	2,740,676	2,306,815	2,740,676
Express	2,219,413	1,978,090	2,219,413	1,978,090
All other	4,605,813	4,856,328	4,605,813	4,856,328
Total	119,140,955	132,695,409	103,575,907	101,237,071
Operating expenses	96,767,098	104,324,127	96,767,098	104,324,127
Operating ratio	81.22	78.62	93.43	103.05
Railway tax accruals	9,988,044	12,527,153	7,675,044	6,654,367
Equipment rents—Net Debit	3,220,687	2,388,308	3,220,687	2,388,308
Joint facility rents—Net Debit	375,355	267,979	375,355	267,979
Net railway operating income	8,789,771	13,187,842	4,462,277 D	12,397,710 D
Net income	6,031,916	9,965,654	7,220,132 D	15,619,898 D

* Restated to exclude from Account 101, "Freight," *only* the effect of rate increases granted by I.C.C. on interstate traffic under Ex Parte 162 and 166, effective in 1947 and 1948, and also the effect of increases granted by the several State Commissions on intrastate traffic, effective during the same years. Railway tax accruals for Federal and State Income taxes have been reduced to recognize lower income taxes under the assumed circumstances.

D—Denotes deficit.

[fol. 878]

Schedule No. 6

Georgia Southern and Florida Railway Company

Line No.	Year	Investment in Railway Property Used In Transportation Service Including Material and Supplies		Total Operating Revenues	Total Operating Expenses	Operating Ratio	Taxes	Net Railway Operating Income		Rate of Return on Total Invest.	Rate of Return on Total Inv. Less Deprn.
		Total	Less Deprec'n.					Amount	Percent of Revenues		
1	1936	$15,514,443	$14,498,460	$2,301,547	$1,949,114	85	$127,529	$137,524	5.98	.89	.95
2	1937	15,431,469	14,469,551	2,408,078	1,963,818	82	161,027	241,741	10.04	1.57	1.67
3	1938	15,388,708	14,367,206	2,061,107	1,810,942	88	186,285	29,789	1.45	.19	.21
4	1939	15,275,355	14,252,568	2,309,592	1,899,643	82	177,910	118,777	5.14	.78	.83
5	1940	15,428,086	14,332,438	2,982,335	2,117,782	71	186,830	491,382	16.58	3.20	3.45
6	Avg. Yr.										
7	1936–40	15,407,612	14,384,045	2,412,532	1,948,260	81	167,916	204,443	8.47	1.33	1.42
8	1941	15,319,275	14,212,258	3,594,411	2,544,321	71	246,621	524,289	14.59	3.42	3.69
9	1942	15,306,918	14,097,923	5,202,725	3,066,197	59	814,859	995,800	19.14	6.51	7.06
10	1943	16,003,689	14,631,223	7,353,434	3,833,717	52	1,918,380	1,189,382	16.17	7.43	8.13
11	1944	16,743,689	15,303,155	6,511,350	4,076,060	63	1,195,554	809,422	12.43	4.83	5.29
12	1945	16,258,305	14,625,500	6,626,341	4,191,342	63	1,196,175	825,443	12.46	5.08	5.64
13	Avg. Yr.										
14	1941–45	15,926,375	14,574,012	5,857,652	3,542,327	60	1,074,318	868,867	14.83	5.46	5.96
15	1946	15,227,140	13,667,450	5,508,891	4,572,592	83	19,189	547,403	9.94	3.59	4.01
16	1947	15,394,579	13,921,655	6,201,458	4,807,574	78	536,064	352,081	5.68	2.29	2.53
17	1948	15,463,713	13,947,449	7,211,017	5,325,305	74	518,509	516,045	7.16	3.34	3.70

Source: Reports to Interstate Commerce Commission.

[fol. 879]

Schedule No. 7

St. Louis-San Francisco Railway Company

Property Investment, Net Railway Operating Income and Ratio Thereof to Revenues, and Rate of Return on Property Investment, Years 1936 to 1948, Inclusive

Year	Investment in Railway Property Used in Transportation Service Including Cash and Material and Supplies		Total Operating Revenues	Total Operating Expenses	Operating Ratio	Taxes	Net Railway Operating Income			
	Total	Less Deprecn.					Amount	Percent of Revenues	Rate of Return on Total Investment	Rate of Ret. on Total Investm. Less Depn. & Amtz.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1936	$423,617,877	$379,235,193	$47,981,639	$38,810,424	80.89	$3,538,418	$5,880,915	12.26	1.39	1.55
1937	423,523,944	378,050,864	49,020,519	41,273,268	84.20	3,194,565	4,967,011	10.13	1.17	1.31
1938	422,761,892	376,218,174	43,027,457	38,136,138	88.63	3,749,227	1,192,550	2.77	0.28	0.32
1939	421,925,573	374,000,471	45,685,303	38,359,995	83.97	3,757,097	3,886,751	8.51	0.92	1.04
1940	423,122,544	373,383,602	46,293,895	37,551,872	81.12	3,771,505	5,395,121	11.65	1.28	1.44
Average Year 1936-1940	422,990,366	376,177,660	46,401,763	38,826,339	83.67	3,602,162	4,264,470	9.19	1.01	1.13
1941	428,043,404	378,707,327	59,326,160	43,457,272	73.25	4,122,271	11,997,351	20.22	2.80	3.17
1942	432,759,042	381,091,934	85,577,649	54,754,076	63.98	4,839,991	25,874,296	30.23	5.98	6.79
1943	440,011,777	384,328,105	107,426,855	71,055,391	66.14	13,259,673	22,488,529	20.93	5.11	5.85
1944	442,873,153	382,316,119	115,982,818	79,675,842	68.70	18,370,112	17,336,113	14.95	3.91	4.53
1945	442,183,274	372,803,605	111,676,428	83,027,147	74.35	13,421,300	15,104,808	13.53	3.42	4.05
Average Year 1941-1945	437,174,130	379,849,418	95,997,982	66,393,946	69.16	10,802,669	18,560,219	19.33	4.25	4.89
1946	446,711,008	374,241,766	91,921,319	80,978,306	88.10	1,564,384#	13,394,662	14.57	3.00	.58
1947	353,069,790	262,931,739	104,157,852	82,343,845	79.06	11,658,470	10,373,299	9.96	2.94	3.95
1948	369,858,212	276,666,238	112,706,007	90,431,056	80.24	11,949,878	11,389,522	10.11	3.08	4.12

# Denotes Red.
Source: Reports to Interstate Commerce Commission.